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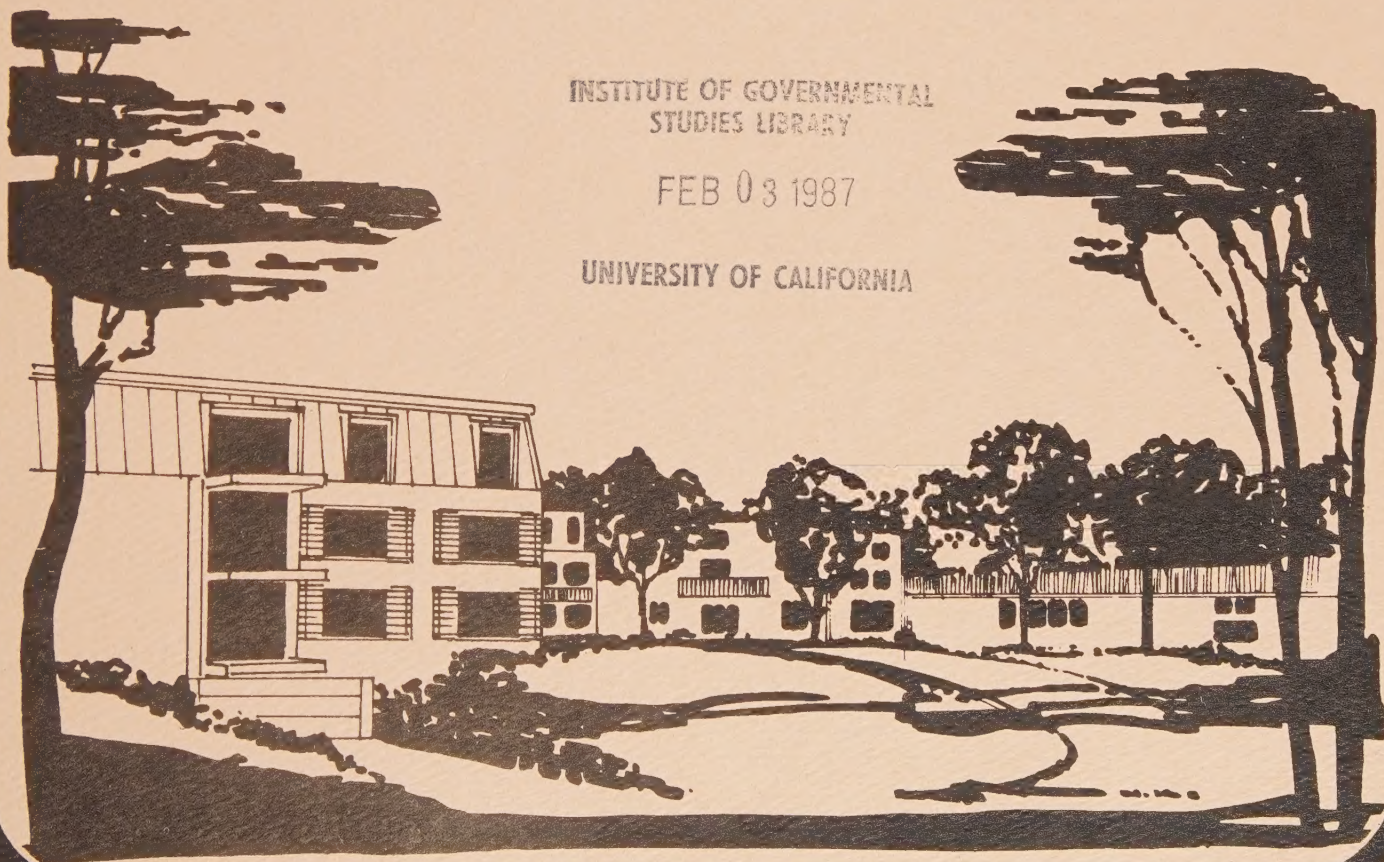
# HOUSING ELEMENT

## AN ELEMENT OF THE GENERAL PLAN

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HOUSING ELEMENT OF THE GENERAL PLAN

CITY OF VISALIA

AUGUST 1984



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RESOLUTION NO. 2547

A RESOLUTION OF THE PLANNING COMMISSION OF THE  
CITY OF VISALIA, COUNTY OF TULARE, ADOPTING THE  
PROPOSED HOUSING ELEMENT, AN AMENDMENT TO THE  
VISALIA CITY GENERAL PLAN

WHEREAS, the City Planning Commission recognizes the need to plan for the future growth of Visalia, and

WHEREAS, the Housing Element is one of nine Elements required by the State of California in order for the General Plan of the City of Visalia to be a valid and legal document; and

WHEREAS, the City Planning Commission recognizes the critical nature of the housing needs of present and future residents of the community; and

WHEREAS, the City Planning Commission also recognizes the crucial role it plays in facilitating the provision of affordable housing; and

WHEREAS, the notice for the public hearing of the Proposed Housing Element of the General Plan was published in a newspaper of general circulation and circulated in the City of Visalia, and

WHEREAS, the City Planning Commission did hold a public hearing on July 23, 1984 for the proposal;

NOW, THEREFORE BE IT RESOLVED, that during the regular session on July 23, 1984 the City Planning Commission did adopt the proposed Housing Element, an amendment of the General Plan, by motion, and

BE IT FURTHER RESOLVED, that this Planning Commission recommend that the City Council adopt the proposed Housing Element.

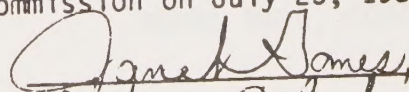
Commissioner Alvarado offered the motion to this resolution, Commissioner Chrisman seconded the motion and it carried by the following vote:

Ayes:	Commissioners Alvarado, Chrisman, Vivier
Noes:	Commissioner Pearson
Absent:	Commissioner Combs

GREG DOWDS, DIRECTOR  
Visalia City Planning Commission

ATTEST: Barbara Phillips, Clerk

I, Barbara Phillips, Clerk of the Visalia City Planning Commission, certify that the above is a true copy of a resolution duly passed and adopted at a regular meeting of the Commission on July 23, 1984.

  
Acting Clerk





RESOLUTION NO. 84-117

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA, COUNTY OF TULARE, ADOPTING THE PROPOSED HOUSING ELEMENT. AN AMENDMENT TO THE VISALIA GENERAL PLAN.

WHEREAS, the City Council recognizes the critical nature of the housing needs of present and future residents of the community. The City also recognizes the crucial role it plays in facilitating the provision of affordable housing. Therefore, the City of Visalia has adopted, as a part of this Housing Element, an overall policy statement which guides the development and implementation of policies and programs described herein:

In recognition of the need for housing within the Visalia Community which is affordable, physically sound and meets the needs of special households within the community, it shall be the policy of the City of Visalia to:

1. Actively recognize housing as a priority community need.
2. Commit to provide staff on a full-time basis to develop and implement specific policies and programs which will ensure the development of adequate housing for low and moderate income and other hard-to-house groups.
3. Facilitate the establishment of community housing advisory board, representative of a broad cross-section of groups which are mutually responsible for the provision of affordable housing in Visalia. This group would be responsible for monitoring low-income housing activities, provide a public forum to review housing issues, act as advocates for the accomplishment of City housing policies and goals and oversee and facilitate implementation of the Housing Element. This board shall also be responsible for assessing the need for and the role of an on-going board.

WHEREAS, the City Council did hold a public hearing on August 6, 1984, and

WHEREAS, on July 23rd, 1984 the Visalia Planning Commission did adopt the draft Housing Element, and

NOW, THEREFORE, BE IT RESOLVED the Visalia City Council did adopt the draft Housing Element of the Visalia General Plan on August 6th, 1984.

PASSED AND ADOPTED: August 6, 1984

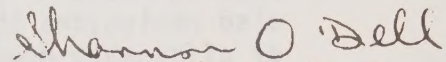
DONNA HALL, CITY CLERK

STATE OF CALIFORNIA)  
COUNTY OF TULARE ) ss.  
CITY OF VISALIA )

I, Donna Hall, City Clerk of the City of Visalia, certify the foregoing is the full and true Resolution 84-117 passed and adopted by the Council of the City of Visalia at a regular meeting held on August 6, 1984.

Dated August 7, 1984

DONNA HALL, CITY CLERK

  
By Shannon O'Dell, Deputy



## ACKNOWLEDGEMENTS

Although this document is being prepared pursuant to State law by the City of Visalia, it is intended to represent the viewpoint of the community at large, as well as that of the City and State governments. To this end, a panel of citizens comprising the Housing Task Force was appointed in 1980 to review housing issues both in a national and local context and to make recommendations for policies and programs to be included in the Visalia Housing Element. These citizens devoted thousands of hours to this effort over a two year period and deserve much of the credit for the content of this document. The members of the Housing Task Force are listed below.

Recognition should also be given to Roberta MacGlashan, who prepared an initial draft of this document and served on the Task Force.

### VISALIA HOUSING TASK FORCE

Alan T. McIntosh, Chairman  
Michael Knopf, Chairman  
Roger Barr  
Richard Barron  
James R. Bozzo  
Ron Burris  
Peter Carey  
Juanita J. Dalton  
Bill Evans  
Donald Fulbright  
Burl R. Gann  
Diane Hawkes  
Jack Hayslett  
James J. Loper

Tony R. Mangano  
Robert Marshall  
Thomas H. McCorkill  
Rilla Mitchell  
Roberta MacGlashan  
Pete Presnal  
John I. Rigoli  
V. E. "Gene" Ross  
Charles Rueda  
Wayne Scott  
Betty Sorensen  
Charles Speidel  
Carolyn Stevens

Bob Hamar, Staff Representative

## PREFACE

This Housing Element was prepared pursuant to the requirements of Assembly Bill 2853, enacted by the California legislature in 1980. It delineates goals, objectives, policies and programs for the improvement of housing and for the provision of adequate housing sites, and also provides for the housing needs of all economic segments of the community. The Element contains an analysis and determination of housing needs and priorities, a structural housing program, and objectives and policies directed towards reduction of identified housing needs. The housing needs identified include both existing and future needs for all income groups within the community. Existing needs are defined as existing on January 1, 1984. Future needs cover the six year period from January 1, 1984 to January 1, 1990. The primary data sources used in this document are the 1980 U.S. Census, the California Dept. of Finance's annual population estimates for the City of Visalia, and income and inflation data generated by the Department of Finance for the State and Tulare County.



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## INTRODUCTION: THE HOUSING PROBLEM

Housing, or shelter, is one of the three basic human needs. Until recent years, this need has been relatively easily satisfied for most individuals in this country. In fact, this country is one of the few in which the predominant means of obtaining shelter is through home ownership. However, as recognized by the Visalia Housing Task Force, at the present time less than 10% of the population now entering the housing market can afford to buy a home. More and more families are finding themselves forced to rent their housing, with no real prospect of entering the ownership market at any time in the near future.

Home ownership is an important, longstanding goal for contemporary American society. However, the problem of housing today goes beyond that of home ownership. As stated by the Task Force, "as important as home ownership is, it is a problem that is vastly overshadowed by a far more serious problem, which is the basic shortage of affordable housing in any form." This is the real crisis, not only in Visalia, but in every other community in California and perhaps the nation as well. Yet, for all the recent publicity and discussion about housing, there remains little public recognition of this fundamental issue and its potential consequences, both for the individual and society at large.

Over the past few years, the same economic forces that caused the widening affordability "gap" in the home ownership market have also drastically reduced the production of new rental housing. The result has been a continuous increase in the demand for existing rental housing by moderate and middle-income families, exerting an upward pressure on rent levels throughout the entire market. More and more lower income families, who never could afford home ownership, are now finding themselves hard pressed to find decent and sanitary housing of any kind.

In addition, many lower income households are doubly difficult to house, due to their being aged, physically handicapped, or large families needing larger more expensive housing units. Increasingly, these individuals are forced to live in housing which is not safe, sanitary, or decent, or costs a disproportionate share of their income, creating additional hardships.

Although housing costs in this area are substantially lower than many other areas of the state, so are incomes; in no way does Visalia escape the conditions described above. This is demonstrated by the following:

- One out of five Visalia households cannot afford standard, private market housing. These households can only afford to pay \$200 per month for shelter, based on affordability criteria described in Chapter I. There is very little housing offered in the City for less than \$200 per month; what is offered in this range tends to be publicly subsidized, substandard, or smaller than the needs of the typical household. Many lower income households are paying much more than they can reasonably afford for shelter.
- One-half of all renters and 10% of all low and moderate income homeowners are paying more than they can afford for housing. "Affordable" levels developed in Chapter I are 25% of gross income for very low income households; 30% for low income households; and 35% for moderate income households.

- Ten percent of all Visalia households live in overcrowded and/or substandard physical conditions. In the nearby communities of Goshen, Ivanhoe and Farmersville, the figure for overcrowding alone is 31%, 14% and 19%, respectively. These communities are within Visalia's immediate trade area; many of their residents work, shop, pay sales taxes in the City and would live here if affordable housing were available.
- According to the Tulare County Association of Governments (TCAG), some 37% of the projected new housing units needed in the City over the 1980-90 decade should be affordable to lower income households. During 1980-1983, only 1/3 of this proportion, or 13%, of the new units produced actually were priced in the low income range. If the City is to meet the decade's projected need, some 44% of all new units produced from 1984-90 should be affordable to this income group.
- At least 3/5 of all current Visalia households cannot afford to purchase the average-cost Visalia-area house (\$69,750, according to the Visalia Board of Realtors). This assumes an extremely optimistic financing arrangement of 5% down and a 12% A.P.R., fixed rate mortgage. At the current market rate as of this writing (July 1984), 14.5% A.P.R., 2/3 of all Visalians do not earn enough income to purchase this house. When the focus is narrowed to those Visalians who make up the first-time homebuying market, the percentage approaches 100%. The Housing Task Force has estimated that over 90% of this group cannot afford even the lowest priced home being offered for sale in the Visalia area.
- At today's interest rates (14.5%, 10% down), the most expensive home a moderate income household (maximum \$20,000 annual income) can afford is \$52,800. Less than 10% of the new, private market housing constructed from 1980-83 sold for this price.

### The City's Commitment to Housing

The housing delivery system in this country is essentially a private system. The production, exchange, and management of the housing stock are largely in private hands and are influenced by many factors beyond those in which the City of Visalia plays a part. This means that public policies relating to housing goals must call for the participation of the housing industry and other community groups which are interested in housing. On the other hand, the City has the power to influence a number of factors which affect the cost and provision of housing in the market place. City policies can and do exert a significant influence on meeting community housing goals; hence, the need for a Housing Element to delineate these policies.

The City recognizes the critical nature of the housing needs of present and future residents of the Visalia area. The City also recognizes the crucial role it plays in facilitating the provision of affordable housing. Therefore, the City of Visalia has adopted, as a part of this Housing Element, an overall policy statement which guides the development and implementation of policies and programs described herein:

In recognition of the need for housing within the Visalia community which is affordable, physically sound and meets the needs of special households within the community, it shall be the policy of the City of Visalia to:

1. Actively recognize housing as a priority community need.



2. Commit to provide staff on a full-time basis to develop and implement specific policies and programs which will ensure the development of adequate housing for low and moderate income and other hard-to-house groups.
3. Facilitate the establishment of community housing advisory board, representative of a broad cross-section of groups which are mutually responsible for the provision of affordable housing in Visalia. This group would be responsible for monitoring low-income housing activities, provide a public forum to review housing issues, act as advocates for the accomplishment of City housing policies and goals and oversee and facilitate implementation of the Housing Element. This board shall also be responsible for assessing the need for and the role of an on-going board.

### The Housing Element and the General Plan

The General Plan is a comprehensive, long-term overall plan for the physical development of the City. It contains statements of development goals and policies, standards and programs formulated by the City, as well as explanatory maps and diagrams. State law requires that the General Plan be composed of nine mandatory parts, each concerning a different planning subject, which are known as "elements". The mandatory elements include the following: Land Use, Circulation, Housing, Safety, Seismic Safety, Scenic Highways, Noise, Open Space and Conservation. Together, these elements form the basis for guiding the total development of the City. Other elements which further refine the City's development policies are permitted as the City Council deems necessary.

The State adopted its first Housing Element guidelines in 1974. After receiving the Housing Element guidelines, the Tulare County Association of Governments and the City of Visalia prepared the 1976 Housing Element which was subsequently adopted as the housing goals, objectives, and policies of the City of Visalia General Plan. The 1976 plan is superceded by the adoption of this document prepared pursuant to AB2853 enacted in 1980 by the California legislature.

In 1977, the State published new Housing Element guidelines, which were used to prepare and update the Visalia Housing Element in 1979 and was completed in early 1980. In order to clarify the legal status of the Housing Element guidelines, the California legislature enacted AB2853 in late 1980. AB2853 wrote into State law much of what had previously been adopted only as administrative guidelines.

In 1980, the City Council of the City of Visalia appointed the Housing Task Force, consisting of a cross section of local citizens with backgrounds from many different sectors of the community. Representatives on the Task Force included representatives from the Real Estate and development industry, non-profit housing advocacy organizations, rehabilitation specialists, the financial community, and citizens at large. The Task Force reviewed the housing situation both on a national and local level, and issued its final report in April 1982, with a number of specific recommendations for inclusion in the City's Housing Element as city policy towards housing. In 1982 and 1983, the City Council and Planning Commission conducted a series of study sessions regarding the Task Force final report and its recommendations. This document compiles all of these to date, and incorporates the Task Force Report as a part of the Housing Element.



# **CHAPTER ONE**





CHAPTER I  
COMMUNITY HOUSING NEEDS

Although many factors influence the housing need which exists in any community, three major determinants encompass most of these: 1) population and employment trends and projections; 2) household characteristics and demographic factors; and 3) special housing needs of particularly difficult to house groups such as the handicapped, elderly, large families, and so on. The following sections analyze in detail each of these major components of housing need.

POPULATION, EMPLOYMENT TRENDS, AND PROJECTIONS

A combination of economic diversification, the metropolitan-to-rural migration trend, and migration to California in general, has created unprecedented population growth in both the City of Visalia and Tulare County over the last two decades. Since 1960, Visalia has roughly tripled in population. From 1970 to 1980, the growth rate was 80%. Although the economic recession of 1981 and 1982 significantly slowed the population growth for those years, by January 1983, Visalia had still managed to grow by another 10%. The City's population growth is reflected in the following chart:

VISALIA POPULATION - 1970-1984

1/1/70	27,462
1/1/75	34,636
1/1/80	49,729
1/1/83	54,882
1/1/84	56,993

Source: California Dept. of Finance and U. S. Census (1970 and 1980)

Although the City's population growth has followed general State and national population trends over the past 20 years, local and regional economic conditions and trends seem to have played a large part in the high growth rate. Within the State, the San Joaquin Valley is growing faster than the major urban metropolitan centers at present. In addition, local economic conditions appear to have channeled a large portion of the Valley and County growth to Visalia, rather than other urban areas in the region. This is borne out by a 1979 study which indicated that employment is by far the most significant factor influencing people to move to Visalia. Almost three out of every five newly arrived households have relocated here because of job opportunities; most of this migration is coming from the major metropolitan centers of Los Angeles and the San Francisco Bay area.

Household Size

The number of persons per household (household size) in Visalia was 2.73 persons according to the 1980 census. This figure declined from the 1970 level of 2.95 persons and has been forecasted to fall to 2.6

persons by 1990. This projected decline parallels a similar pattern observed at the County, State, and national levels.

Several factors contribute to the decline in household size. First, families are having fewer children. Second, young adults are choosing to postpone their first marriage. Third, the number of divorced persons and single parent households is rising. Fourth, the number of older persons, whose families are no longer living with them, continue to increase.

All of these factors are continuing to take place. However, due to the increased cost of housing and decreased availability of adequate housing in some cases, demographers are beginning to note somewhat of a reversal of this trend. Although there is not yet enough documentation to say for sure that the trend is reversing itself, there are some clear indications that the rate of decline is at least slowing down. Visalia, along with other California communities, has also been the recipient of a significant immigration of Asian refugees over the past two years. Because of their cultural background and very low incomes, these persons tend to live in extended family groups sharing the same dwelling. In California, these trends are being documented by the State Department of Finance.

#### Ethnic Distribution

The ethnic distribution of the City's population, according to the 1980 Census, is as shown in the chart that follows. These figures do not, reflect the immigration of Asian refugees during the past two years. It is presently estimated that there are approximately 1600 of these persons living within the City of Visalia, constituting about 3% of the total City population.

#### VISALIA RACIAL AND ETHNIC POPULATION DISTRIBUTION, 1980

Race		Spanish Origin	
White	41,194 (78%)	Not of Spanish Origin	40,191 (80%)
Black	591 ( 1%)	Mexican	8,661
American Indian	432 ( 1%)	Puerto Rican	75
Eskimo		Cuban	18
Aleut	2	Other Spanish	784
Japanese	149		
Chinese	224		
Filipino	157		
Korean	47		
Asian Indian	34		
Vietnamese	33		
Hawaiian	10		
Guamanian	15		
Samoan	2		
Other	6,839 (14%)		



## Income Levels

According to the 1980 Census, 1979 median household income in the City of Visalia was \$16,724. The County's median income figure was somewhat lower, at \$14,153. According to State law, the purpose of a Housing Element is to insure that each jurisdiction makes a good faith effort towards accommodating its fair share of the regional housing need. Therefore, for this document, the County's income distribution was the factor used in determining community needs.

## Employment

According to the 1980 Census, employment in the City of Visalia was distributed as shown in the following tables, by industry and occupation.

<u>Industry</u>	<u>Persons Employed</u>
Agriculture, Forestry, Fisheries & Mining	1103
Construction	1402
Nondurable Goods Mfg.	1522
Durable Goods Mfg.	1396
Transportation	572
Communications & Other Public Utilities	1002
Wholesale Trade	920
Retail Trade	4125
Finance, Insurance, Real Estate	1437
Business & Repair Services	955
Personal, Entertainment, Recreation Services	930
Health Services	1628
Educational Services	2308
Other Professional & Related Services	1400
Public Administration	1108

<u>Occupation</u>	<u>Persons Employed</u>
Executive, Administrative, Managerial	2505
Professional Specialty	3156
Technicians & Related Support	603
Sales	3007
Administrative Support, Including Clerical	3907
Private Household	172
Protective Service	304
Service, Except Protective & Household	2271
Farming, Forestry & Fishing	764
Precision Production, Craft & Repair Services	2442
Machine Operators, Assemblers & Inspectors	1034
Transportation & Material Moving	886
Handlers, Equipment Cleaners, Helpers & Laborers	757

Generally speaking, the employment base of Visalia differs from that of the County in that it relies less upon primary industries, such as manufacturing and agriculture, and much more upon secondary industries such as retail trade and services. Visalia is established as the major retail trade center between Bakersfield and Fresno. Therefore, Visalia retail establishments draw from all of the cities and communities in

Tulare County and portions of Kern, Fresno, and Kings Counties as well. The proportion of primary manufacturing industries is tending to increase; however, the position of retail trade and services is expected to continue as the primary component of the Visalia economy for some time in the future.

As discussed below, the Tulare County Association of Governments (TCAG) has estimated new housing needs for all jurisdictions in the County, including Visalia. The TCAG report relates the estimated housing need to the foregoing economic opportunity data as follows:

#### Employment Opportunities

TCAG's determination of the distribution of regional housing needs is required by law to consider employment opportunities. Tulare county's cities have not historically sought to create new jobs without at the same time providing for expansion of housing opportunities. For purposes of this report, therefore, projected household growth (see text below) is assumed to reflect a continuation of a reasonably high jobs/housing balance, and that the distribution of regional housing need based on projected household growth will reflect growth in employment opportunities. (TCAG Housing Needs Report - p. 4)

#### Projected Housing Market Requirements

State law requires councils of governments in California to determine existing and projected regional housing needs. Councils of government must also determine each jurisdiction's share of that regional need for housing. These local shares of regional housing needs are to be reflected by Housing Elements of the cities' General Plans. The Tulare County Association of Governments (TCAG) has issued a report estimating the total regional housing need and each individual jurisdiction's share of this need for the year 1990. A detailed analysis and the methodology used to determine regional housing need is more fully explained in Appendix B.

In general, the City's share of the regional housing need is defined by AB2853 as "that share of the housing need of persons at all income levels within the area significantly affected by the jurisdiction's General Plan". This has been interpreted to mean that a City must consider the needs of the entire county in which it is located, as the entire county is affected to some degree by planning decisions made by each of its jurisdictions.

The TCAG report has estimated present and projected housing needs based on the following six factors, as required by AB2853:

1. Market demand for housing.
2. Employment opportunities.
3. Availability of suitable sites and public facilities.
4. Commuting patterns.

5. Type and tenure of housing.

6. Housing needs of farm workers.

AB2853 also requires that the distribution of regional housing needs "seek to avoid further impaction of localities with relatively high proportions of lower income households". In order to estimate regional housing needs, the TCAG report developed a projection of households for the year 1990, and estimated a distribution among each municipality in the County and the unincorporated area. This distribution is intended to represent a "fair share" distribution of the housing needs of all income groups. The projections utilize a methodology which relies upon growth rates from the years 1975 - 1983 to project growth to the year 1990.

The TCAG report projects a total of 26,605 households in the City of Visalia by 1990. Using the projected household size of 2.6 persons, this represents a total population of 69,200. It should be noted that this analysis assumes the continuation of the trend of household size reduction throughout the rest of the decade, even though there is now evidence that this trend may be reversing (see discussion on page 4). The 26,605 households projected for Visalia by 1990 represent an increase of 8,415 households over the 1980 Census figure.

For all cities within the County, the TCAG report estimates both existing and projected housing need. The existing need is defined as the number of additional housing units needed in 1980 in order to accommodate all existing households and provide an adequate vacancy rate. The projected housing need is the number of units needed to fill the existing need plus provide enough units to accommodate the projected household growth to 1990. Both existing and projected need are defined in terms of additional housing units; neither of these figures are meant to describe the number of households who are actually in need of assistance. Rather, these figures are only intended to describe the total number of additional, new housing units needed to house all existing and projected households and maintain an adequate vacancy rate.

The following chart shows the TCAG estimates, the number of units actually constructed in the City since 1980, and the remaining units to be constructed from 1984 to 1990 to accommodate the projected need.

#### ESTIMATED EXISTING AND PROJECTED VISALIA HOUSING CONSTRUCTION NEEDS, 1980 - 1990

Existing (1980) Need - 98 Dwelling Units\*\*  
Projected (1990) Need - 9,041  
Actual Construction, 1980-83\* - 1,963  
Remaining Projected Need, 1984-1990 - 7,078

\*Source: City of Visalia Building Division permit data

\*\* According to the TCAG report, 98 additional units were needed in 1980 in order to provide an adequate vacancy rate.



If the TCAG projections are to be met, there would have to be an average of 1,180 new units constructed annually within the City over the next six years. However, the City has averaged only 491 units annually in the first four years of the decade, 1980-83. Only three times have more than 1,100 units been constructed in one year, these were 1977-79, during which time the City experienced an average growth rate of almost 10% annually. The following chart shows the number of new units constructed from 1975-83, the years upon which the TCAG projections were based:

#### ANNUAL NEW HOUSING UNITS CONSTRUCTED, 1975-83\*

1975 - 611	1978 - 1,470	1981 - 243
1976 - 1,031	1979 - 1,217	1982 - 320
1977 - 1,482	1980 - 413	1983 - 987

\*Source: City of Visalia Building Division permit data.

The number of City households and population forecast by the TCAG Needs Analysis for 1990 is listed below. Also listed are the 1980 Census results and the January 1, 1984 California Department of Finance household and population estimates.

#### 1990 HOUSEHOLDS AND POPULATION PROJECTIONS

1990 Projections:	
Households/Population	26,605/69,200
Household Size	2.60
1980 Census:	
Households/Population	18,190/49,729
Household Size	2.73
January 1, 1984 Estimate	
Households/Population	20,302/56,993
Household Size	2.76

The TCAG Housing Need projections are also distributed by type of housing unit, as follows:

#### 1990 HOUSING NEED PROJECTIONS BY HOUSING TYPE

Single Family	6,727 ( 74%)
Multiple Family	1,777 ( 20%)
Mobile Homes	<u>537 ( 6%)</u>
Totals	9,041 (100%)

1980-83 Visalia housing construction has resulted in the following:

1980-83 VISALIA HOUSING CONSTRUCTION AND  
REMAINING NEED BY HOUSING TYPE

Single Family

1980-90 Need	6,727
1980-83 Construction	<u>1,570</u>
1984-90 Remaining S.F. Need	5,157

Multiple Family

1980-90 Need	1,777
1980-83 Construction	<u>388</u>
1984-90 Remaining M.F. Need	1,389

Mobile Homes

1980-90 Need	537
1980-83 Construction and New Spaces*	<u>15</u>
1984-90 Remaining M.H. Need	522

\*New Mobile Home Park Spaces

Consideration of Income Levels

State law requires local councils of governments, in this instance TCAG, to consider need for housing at various income levels within the community. TCAG is charged with determining the share of the County's total housing need by income grouping which should be provided by each individual jurisdiction within the County. State law defines each locality's share of the regional housing need as "that share of the housing need of persons at all income levels within the areas significantly affected by the jurisdiction's General Plan". This distribution of the regional housing need must be allocated so as to "avoid further impaction of localities with relatively high proportions of lower income households". Impaction is not defined; however, it is generally interpreted to mean that communities such as Farmersville or Woodlake, which already have disproportionately higher shares of low income households than does the County at large, should not continue to receive such a large share of these households. Conversely, communities such as Visalia, with a lower proportion of low income households than the County at large, should accommodate a somewhat higher share of these households.

The most widely used definitions of income groupings are those used by the U. S. Department of Housing and Urban Development, to determine eligibility for Federal housing assistance. The State Department of Housing and Community Development also utilizes income limits in order

to determine eligibility for State programs; these are in large part based on the HUD guidelines. Income limits are typically set for varying numbers of persons within a given household; for general purposes however, these income limits are often described in terms of the "average" household, generally taken to mean a household with four persons. In order to determine the limits of income groups used to determine the regional housing need, the guidelines are applied to County income levels, rather than those of individual jurisdictions. These income guidelines are as follows: up to 50% of the median income for the region is considered "very low" income; 51 - 80% of the median is considered "low" income; "moderate" income is considered to be 81 - 120% of the median; and "above moderate" is considered to be any household with an income greater than 120% of the regional median.

For the purpose of determining regional housing needs, limits need not be specified for each and every possible household size. The TCAG report considers the 1979 median household income given by the 1980 Census for all of Tulare County's households to be the median income on which the County's housing needs are based.

As stated previously, the 1979 median is \$14,153; updated to the present (utilizing State Department of Finance inflation figures,) this is now \$18,400. The following chart specifies income limits for each category, in 1979 and 1984 dollars:

REGIONAL INCOME LIMITS BY CATEGORY,  
1979 AND 1984

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>
1979	\$7,076 or Less	\$7,077-11,322	\$11,323-16,984	\$16,985 and up
1984	\$9,200 or Less	\$9,201-14,720	\$14,721-22,080	\$22,081 and up

The following table shows the projected housing needs by income category for Tulare County and all jurisdictions within the County, as distributed by TCAG.



PROJECTED HOUSING NEED BY INCOME CATEGORY  
TULARE COUNTY AND CITIES, 1980-1990

<u>Jurisdiction</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Totals</u>
Dinuba	128 (22%)	105 (18%)	111 (19%)	239 (41%)	583
Exeter	86 (23%)	67 (18%)	71 (19%)	148 (40%)	372
Farmersville	86 (25%)	72 (21%)	68 (20%)	116 (34%)	342
Lindsay	72 (23%)	59 (19%)	63 (20%)	119 (38%)	313
Porterville	852 (23%)	667 (18%)	667 (18%)	1,518 (41%)	3,704
Tulare	612 (23%)	479 (18%)	506 (19%)	1,064 (40%)	2,661
VISALIA	1,808 (20%)	1,537 (17%)	1,899 (21%)	3,797 (42%)	9,041
Woodlake	101 (29%)	63 (18%)	70 (20%)	115 (34%)	349
Co. Remainder	<u>1,459</u> (22%)	<u>1,194</u> (18%)	<u>1,260</u> (19%)	<u>2,718</u> (41%)	<u>6,631</u>
County Total	5,204	4,243	4,715	9,834	23,996

As noted previously, 1,963 new dwelling units have been constructed within the City of Visalia since 1980. Following is a breakdown of those which are private and those which are publicly assisted.

VISALIA PRIVATE AND PUBLICLY ASSISTED  
HOUSING CONSTRUCTION BY TYPE, 1980-83

	<u>Single Family</u>	<u>Multiple Family</u>	<u>Mobile Homes</u>	<u>Totals</u>
Private Market Housing	1,232	215	4	1,456
Publicly Assisted Housing				
- HUD "235" Program	284			284
- CDBG Demolition Replacements	17			17
- HUD "202" Elderly Housing		100		100
- Housing Authority Sponsored	<u>37</u>	<u>73</u>	<u>      </u>	<u>110</u>
TOTAL HOUSING CONSTRUCTED	1,570	388	4	1,962

The HUD "235" program provides housing for owner-occupancy by moderate income persons through subsidized financing. The CDBG program replaces owner-occupied units which are too deteriorated for rehabilitating, in this case for "very low" income families. The "202" program provides rental units for low income, elderly persons. Housing Authority-

sponsored construction involves public housing for very low and low income families in a 75/25 ratio, respectively.

From interviews with Redevelopment Agency staff and local builders, it is not likely that many of the "235" units were sold to families making less than \$14,720, the cutoff for the "low" income category (in 1984 dollars). The management of the Town Meadows apartments, constructed under the "202" program, estimates that virtually all residents of that building have incomes of less than \$9,200, or the "very low" category. Mobile homes on lots are generally felt to be affordable to "moderate" income persons. For the purpose of distributing the subsidized housing units constructed in Visalia since 1980 among the four income categories, the following assumptions are made:

1. 90% of the "235" units were sold to "moderate" income families;
2. All CDBG demolition replacements benefit "very low" income families;
3. All "202" housing (Town Meadows) benefit "very low" income persons; and
4. The Housing Authority-sponsored units are occupied by 75% "very low" and 25% "low" income families.

By these assumptions, subsidized housing built since 1980 satisfies the following housing needs:

Very Low Income:	200
Low Income:	55
Moderate Income:	598

As for private market, non-subsidized housing, virtually all single family detached and attached units are intended for sale to owner-occupants. Affordability guidelines developed in the next section, the highest-priced "affordable" home for a household in the "moderate" income category is approximately \$55,000. This is derived as follows:

"Moderate" income limit:	\$22,080 or \$ 1,840/mo.
Maximum housing cost as % of income:*	<u>x 35%</u>
Maximum "affordable" payment and related costs (principle, interest, taxes, insurance)	\$ 644
Less taxes & insurance (10% of principle & interest):	<u>(59)</u>
Total "affordable" mortgage payment:	\$ 585
@ 14.5% APR, 30-year fixed rate loan, a payment of \$585 = a loan principle of:	\$48,000
Down payment @ 10%:	<u>4,800</u>
Total Purchase Price:	\$52,800

\*Affordability limit for moderate income persons - see discussion in next section.

Based on conversations with local realtors and builders, staff estimate that less than 10% of all private single family housing constructed in the City since 1980 was priced at \$52,800 or less (in 1984 dollars). It is also estimated that virtually none of the multiple family rentals in the City rent for more than \$600 per month. The following chart indicates the number of both subsidized and private housing units constructed since 1980 by income category and the remaining need to be reached over the next six years.

PROJECTED NEED SATISFIED BY 1980-83  
CONSTRUCTION, BY INCOME CATEGORY

	INCOMES			
	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>
1980-83 Private Construction				
Single Family			123	1,109
Multiple Family			215	
Mobile Homes			4	
1980-83 Subsidized Construction				
Single Family		28	256	
Multiple Family	<u>200</u>	<u>27</u>	<u>          </u>	<u>          </u>
Total All Construction	200	55	598	1,109

TOTAL 1980-83 HOUSING CONSTRUCTION  
BY INCOME CATEGORY

Very Low:	200	Moderate:	598
Low:	55	Above Moderate:	1,109

The following table subtracts the 1980-83 construction from the total decade's need, by income category.

REMAINING 1984-90 NEW HOUSING NEED  
BY INCOME CATEGORY

	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Totals</u>
1980-90 Need	1,808 (20%)	1,537 (17%)	1,899 (21%)	3,797 (42%)	9,041
1980-83 Const.	<u>200 (10%)</u>	<u>55 ( 3%)</u>	<u>598 (31%)</u>	<u>1,109 (56%)</u>	<u>1,962</u>
Remaining 1984- 90 Need	1,608 (23%)	1,482 (21%)	1,301 (18%)	2,688 (38%)	7,079



This table demonstrates two points which go to the heart of the housing problem faced by this community. First, if the City were "on schedule" in meeting its projected needs for the decade, roughly twice as many new housing units should have been constructed over the past four years than were actually built. Second, and even more important, the proportion of new housing affordable to low and very low income households lagged far behind the overall proportion of new units needed for these households over the course of the decade. For example, only 3% of the units provided were in the "low" income category; yet overall, some 17% of all new housing constructed should serve households in this income range. If the community is to "catch up" to its projected needs for the decade, an even greater proportion of future new housing units must be affordable to lower income households; that is, the need for lower income housing, rather than being satisfied, is actually increasing. This, despite the fact that, over the past four years, some 26% of all new residential construction in Visalia has been publicly subsidized.

### CURRENT HOUSEHOLD CHARACTERISTICS

The foregoing discussion identifies the number of new housing units which must be provided in order to accommodate the housing needs of future Visalia residents, through this decade. In order to obtain a complete profile of the community's housing needs, the number of present Visalia households in need of some form of housing assistance must also be identified. State HCD guidelines indicate that the housing needs of present residents should be identified in three distinct categories; overpayment for housing, overcrowding, and substandard physical conditions. An analysis must also be undertaken of the "special" housing needs of particular groups of residents, including the handicapped, elderly, large families, female-headed households, farmworkers and Asian refugees.

### Cost of Housing

Visalia, like most other communities throughout the country, has seen the average price of housing increase dramatically since 1970. The following chart indicates the levels and percent change in local housing costs from 1970 to 1980, according to the Census.

#### MEDIAN RENT AND SALES PRICE OF HOUSING, 1970-1980

	<u>Median Rent</u>	<u>Median Price</u>
1970	\$ 86	\$16,900
1980 (% Increase)	219 (155%)	64,000 (227%)

### Affordability

More often than not, when housing is being discussed, the problem being described boils down primarily to one issue: affordability. Yet, this is the most difficult aspect of housing to deal with. First of all, there is wide disagreement among the various groups and governmental entities who deal with housing as to how to define it. Traditionally, a household was considered to be able to "afford" a home or apartment

(whether owned or rented) if that rent or mortgage payment represented no more than 25% of the household's gross annual income. By this rule of thumb, that 25% should also include other costs associated with housing such as property taxes, insurance, utilities, and maintenance.

Most Federal and State housing programs have utilized this 25% measurement for years. For example, HUD's Section 235 Ownership Financing Program and Section 8 Rental Assistance Program both have used the 25% figure as the maximum portion of any family's income to be paid towards the monthly costs of the home which they are purchasing or renting. However, the Reagan administration has recommended increasing the "affordability" cutoff point from 25% to 30% of gross annual income for these programs. Especially in the ownership housing market, the 25% "rule" appears to be unrealistic. Many lenders have altered the traditional 25% figure upward to 35% or even 40% or more, depending on income, debts and other factors.

The greatest problem with an arbitrary 25% or 30% cutoff figure, is that such figures do not take into account what economists refer to as the "utility theory" of money; that is, 25% of gross income, or any given income figure, has a vastly different impact on persons of different income levels. For example, under the TCAG guidelines, a very low income household with an income of \$9,200 per year or less (in 1984 dollars), would have a maximum of only \$6,900 remaining for all other household expenses and necessities of life after paying 25% of their income for housing. Yet, a middle or upper income household may have several times that much remaining after paying up to 50% or more of their income on housing, if they choose to do so. As a first step towards rationalizing the affordability question, this Element assumes that any household in the "above moderate" category which pays a high proportion of its income for housing, does so as a matter of choice, rather than economic necessity. Therefore, no above moderate households will be considered to be in need of housing assistance; the programs which will be outlined in Chapter 3 are limited to providing assistance to low and moderate income households who, through no choice of their own, are forced to spend an excessive amount of their income for housing.

The question still remains, how many low and moderate income households in Visalia are paying more than they should for housing? Any definition of affordability, other than a case-by-case analysis of individual households' financial situations, is unavoidably arbitrary; yet some definition of affordability must be made in order to identify the level of housing need within the community. In order to arrive at a level which is closer to reality than an across-the-board, single percentage

figure, this Element will utilize the following scale to determine affordability:

MAXIMUM AFFORDABLE MONTHLY HOUSING COSTS IN 1984 DOLLARS  
AND PERCENT OF INCOME, BY INCOME CATEGORY

	Very Low (0% - 50% of Median)	Low (50% - 80% of Median)	Moderate (80% - 120% of Median)
Maximum Monthly Income	\$ 767	\$ 1,227	\$ 1,840
Maximum Affordable Housing Costs <sup>1</sup>	192 (25%)	368 (30%)	644 (35%)
Maximum Affordable Sales Price <sup>2</sup>	16,600	31,850	52,800

<sup>1</sup> Rental costs include only the contracted rent amount; ownership costs include principle and interest payment, plus 10% for taxes, mortgage insurance and minor maintenance.

<sup>2</sup> Assumes 10% down, 14.5% A.P.R., fixed-rate mortgage, 30 year term. See calculations on p. 13.

The 1980 Census breaks down monthly rents and ownership costs as a percent of income (see Appendix A). The census data can be interpolated to show these housing costs in terms of the income categories this Element must analyze; the results are indicated in the following table:

OVERPAYMENT FOR HOUSING, 1980

	Very Low	Low	Moderate	Above Moderate	Totals
Rental Housing	1,494	825	148	0	2,467
Ownership Housing	412	253	266	0	931
Total Overpaying	1,906	1,078	414	0	3,398
Total Households	3,077	2,279	2,918	9,916	18,190
% Overpaying	84	55	15	0	19

The total of 3,398 households overpaying for housing represented 19% of all households in the City of Visalia in 1980. Assuming that this percentage has not changed, the total number of households within the



City at the present time who are overpaying for housing is calculated in the chart below.

#### OVERPAYMENT FOR HOUSING, 1984

January 1, 1984 Population Estimate by California Dept. of Finance:	20,302 households
Percentage of 1980 Visalia Households Overpaying:	X 19%
1984 Households Overpaying:	3,792

<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Totals</u>
2,127	1,203	462	0	3,792

#### Physical Characteristics of the Housing Stock

The Visalia Redevelopment Agency conducted a housing condition survey of selected areas of the City during early 1982. This survey was undertaken in order to determine potential new target areas for Community Development Block Grant assistance within the City. The areas were selected because of a relatively large number of known substandard dwelling units. Based upon Citywide observation, it was assumed that there are very few, if any, substandard dwelling units located outside of the selected areas.

The housing units were classified as follows:

standard, needing only minor maintenance activities;

maintenance units, requiring some major maintenance items, such as reroofing or residing, but no structural work;

rehabilitation units, where major renovations, possibly including structural work, rewiring, replumbing, etc. are needed; and

demolition units indicating that the structures are so deteriorated as to be economically infeasible to rehabilitate.

A total of 1,533 dwelling units were surveyed, including 1,285 single family homes and 248 apartments. The survey resulted in the ratings shown by the following chart; also shown are the rehabilitation activities of the Visalia Redevelopment Agency and the number of Visalia households remaining in substandard housing conditions.

HOUSING SURVEY RESULTS AND REDEVELOPMENT  
AGENCY ACTIVITY, 1982-1984

	<u>Standard</u>	<u>Maintenance</u>	<u>Rehabilitation</u>	<u>Demolition</u>	<u>Totals</u> <sup>1</sup>
Surveyed Dwellings	632	230	543	128	901
Redevelopment Activities		<u>4</u>	<u>18</u>	<u>9</u> <sup>2</sup>	<u>31</u>
Remaining Need		226	525	119	870

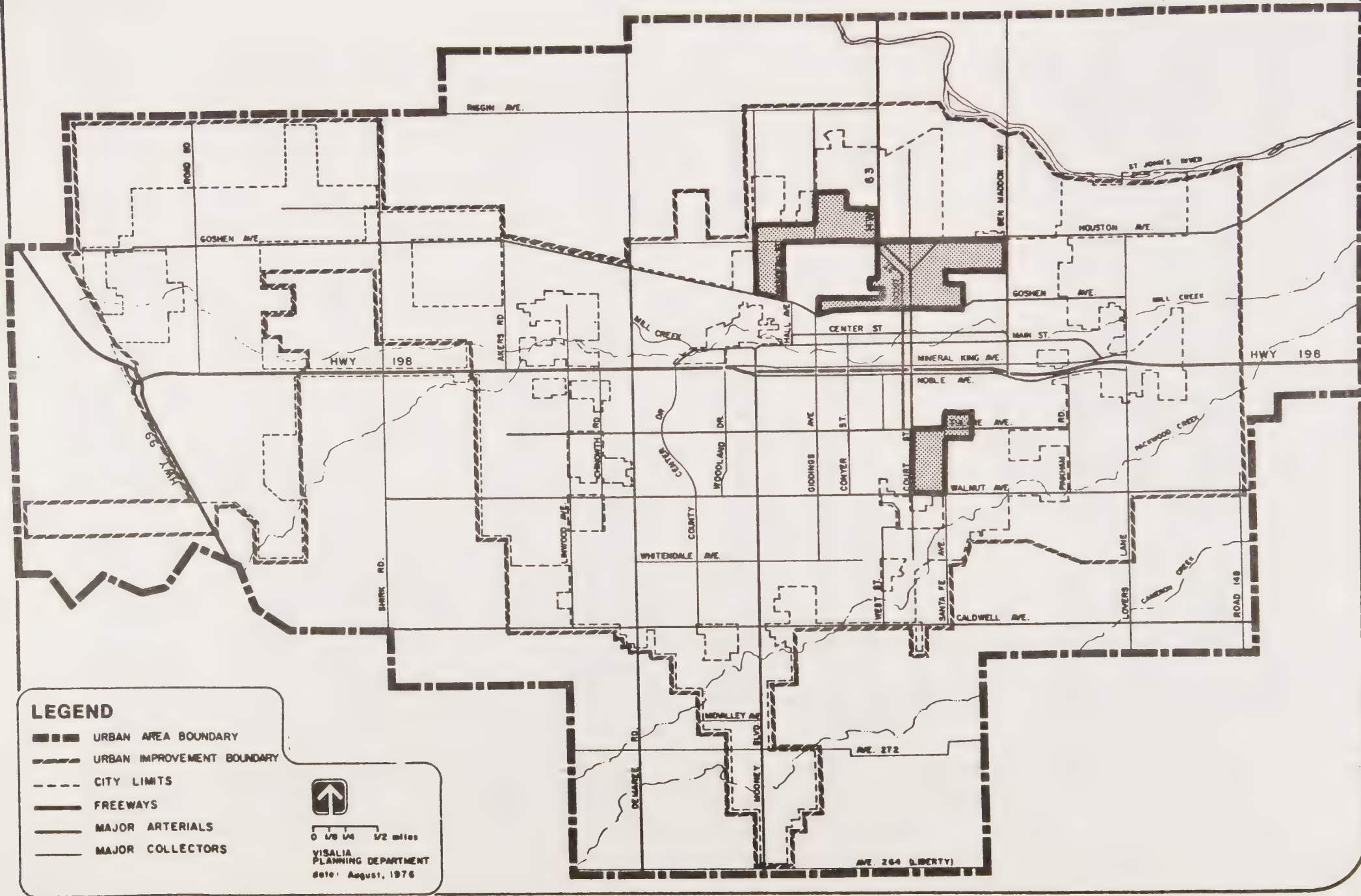
<sup>1</sup>Does not include "standard" units

<sup>2</sup>Includes two families relocated and seven new homes constructed for families living in buildings needing demolition.

Figure 1 indicates the three target areas surveyed.

# FIGURE 1

## CDBG "TARGET" AREAS





### Overcrowding

The Department of Housing and Urban Development and the Census define overcrowding as more than one person per room living in a particular housing unit. According to the 1980 Census, 727 households in the City of Visalia lived in overcrowded conditions, by this definition. This represents approximately 4% of the total number of households within the City. As is the case with overpayment, it is not known whether or not this percentage has changed since 1980. If not, a total of 812 households would presently be living in overcrowded conditions.

#### OVERCROWDED VISALIA HOUSEHOLDS: 1980 AND 1984

1984 DOF household estimate:	20,302
1980 Overcrowding rate (U.S. Census)*:	<u>X 4.0%</u>
1984 Overcrowded households:	812

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\* HUD defines overcrowding as more than 1.01 persons per room in a permanently occupied dwelling unit.

### Age and Tenure of the Housing Stock

According to the 1980 Census, the age of Visalia's year-round housing breakdown as follows (adjusted to 1984):

#### AGE OF VISALIA HOUSING STOCK, 1984

5 years or less:	3,845	(18%)
6 - 9 years:	4,582	(21%)
10 - 14 years:	3,677	(17%)
15 - 24 years:	3,520	(17%)
25 - 34 years:	2,921	(14%)
35 - 44 years:	1,313	(6%)
45 years or more:	1,574	(7%)
Total:	21,432	(100%)

Tenure of occupied housing units is broken down as follows:

TENURE OF OCCUPIED VISALIA HOUSING UNITS,  
1980 AND 1984

	<u>1980</u>	(%) <sup>1</sup>	<u>1984</u>	(%) <sup>2</sup>
Renter Occupied	7,000	(39%)	7,816	(39%)
Owner Occupied	<u>11,190</u>	(61%)	<u>12,486</u>	(61%)
Total	18,190	(100%)	20,302	(100%)

---

<sup>1</sup>1980 figures from Census data.

<sup>2</sup>1984 figures derived as follows:

- Total occupied units from January 1, 1984 California Dept. of Finance Estimates
- Renter and owner occupied units derived by applying 1980 Census percentages to 1984 total occupied units.

HOUSING NEEDS OF SPECIAL GROUPS

In designing a housing program to meet the needs of the City, recognition should be given to the fact that, in addition to the need which exists for lower income groups in general and those living in substandard or overcrowded conditions, there are several specific groups which should be focused on by the housing program because they have particular needs which must be addressed. These persons tend to find it particularly difficult to obtain adequate, affordable housing due to their unique characteristics. The following section identifies these groups and recognizes their particular needs to be addressed through the housing program.

Handicapped Persons

Handicapped persons share the same housing needs as others; however, they may also need special facilities, apparatus, or simply housing design which is sensitive to their disabilities. Frequently, conventionally-designed housing contain doors too narrow for wheelchairs, no structural bracing for handrails, and no access ramps. Electrical switches and outlets may be inconveniently located, showers and toilet areas too small, and counters too high. The conversion of a conventional home to one which can accommodate these needs involves significant cost.

The 1980 Census provides data on persons with "employment disabilities" and "public transportation disabilities". No data is provided on housing related disabilities. While it is recognized that many disabilities which prevent a person from undertaking some occupations

can also create housing limitations, many employment-related disabilities do not limit housing choice. Public transportation disabilities, since they relate directly to mobility and physical impairments which would hinder a person's access to busses, trains, etc., are considered much more likely to correlate with housing limitations as well. Therefore, this Element utilizes the Census data on "public transportation disabilities" to delineate the number of handicapped households with special housing needs, as described above.

#### 1980 VISALIA HOUSEHOLDS WITH PUBLIC TRANSPORTATION DISABILITY

Ages 16 - 64:	487 (2.6%)
Ages 65+:	<u>610 (13.4%)</u>
Total:	1,097 (6.0%)

Source: 1980 Census, STF 3, page 2.

Assuming that the ratio of households with public transportation disabilities has not changed since 1980, the 1984 figure for this group is computed as follows:

#### 1984 VISALIA HOUSEHOLDS WITH PUBLIC TRANSPORTATION DISABILITY

1984 Total Households <sup>1</sup> :	20,302
1980 Public Transportation Disability Ratio <sup>2</sup> :	<u>X 6.0%</u>
1984 Households with Public Transportation Disability:	1,224

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<sup>1</sup> From January 1, 1984 Dept. of Finance population estimates

<sup>2</sup> From U.S. Census data

#### Senior Citizens

The 1980 Census does not give specific income statistics for senior citizens (those persons 65 years of age and older). The Census does relate whether individuals are above poverty or below the poverty line, by age grouping. Of all individuals aged 60 and over, the rate of poverty is 8%; for the population at large, the rate is 10.5%. However, the poverty statistics do not portray the entire picture. In cases where older households are paying more than they can afford for housing, their situations can be particularly sensitive. Many, if not most, must live on fixed incomes and find that housing requires an ever-increasing



share of their budgets. In addition to the income situation, seniors often have a greater need for companionship as families move away or the death of a spouse occurs. Because of health needs, seniors often need to be in close proximity to others, yet desire to retain an independent lifestyle. The need for space also declines as people grow older. In 1980 there were 3,269 senior households within the City - or 18% of the total; if this proportion has remained the same, there are now approximately 3,654 senior households. This is illustrated by the following chart.

VISALIA SENIOR CITIZEN HEADS OF HOUSEHOLDS,  
1980 AND 1984

<u>1980 Senior Households<sup>1</sup></u>	<u>%</u>	<u>1984 Total Households<sup>2</sup></u>	<u>1984 Senior Households</u>
3,269	18.0	20,302	3,654

<sup>1</sup> Source: 1980 Census, STF-1, page 2

<sup>2</sup> Source: January 1, 1984 Dept. of Finance Estimate

Large Families

The 1980 Census data which gives statistics on large families is not yet available. However, a demographic study conducted by Fresno State University in 1978 showed that approximately 11% of the families in the City were large families (defined as six or more persons). If this percentage has not changed, in 1984 there are approximately 2,231 such families. Obviously, housing represents a special difficulty to larger families since they have a need for more space. For those of low and moderate income, this means that housing may tend to take up a higher proportion of their incomes than is the case with smaller families.

Other factors also complicate the housing situation for these families. Oftentimes, apartments which can accommodate larger families are simply not available, due to construction practices which tend to emphasize smaller units and restrictions on children or numbers of persons who can occupy a unit. Quite often, a large family is left with no choice but to rent a single family house, if adequate shelter is to be provided. Single family houses are typically the most expensive form of rental housing to occupy.

# VISALIA LARGE FAMILY HOUSEHOLDS

	<u>Large Families</u>	<u>Total Households</u>	<u>%</u>
1978 <sup>1</sup>	1,671	15,203	11.0
1980 <sup>2</sup>	-	-	-
1984	2,231	20,302 <sup>3</sup>	11.0

<sup>1</sup> Source: Social Profile of Tulare County, CSUF, 1978

<sup>2</sup> Census data not yet available.

<sup>3</sup> Source: Dept. of Finance

## Female Headed Households

It has recently been stated that "poverty has a feminine face". This statement is borne out by the 1980 Census, which shows that the poverty rate among female headed, households is approximately 30% or three times that of all families. Shared living arrangements could be ideal for many of these families, by lowering housing costs, providing companionship and meeting other needs. Housing which can be shared is made a more attractive alternative by providing bedroom, bathroom, and possibly cooking facilities which are segregated, yet provide other living areas in common; most standard housing designs do not accommodate this need. Without the opportunity for shared housing, female headed households tend to pay a disproportionate share of their income towards housing, more so than other groups within the general population. According to the 1980 Census, there were 1,133, or 6% female-headed households with children in Visalia; applying this proportion to the present population estimate would result in approximately 1,259 such households today.

## 1980 VISALIA FEMALE-HEADED HOUSEHOLDS

With children:	1,133 (6.2%)
Without children:	491 (2.7%)
Total:	1,624 (8.9%)

Source: 1980 Census, STF 3, page 2

## 1984 VISALIA FEMALE-HEADED HOUSEHOLDS

With children:	20,302*	X	1.2% =	1,259
Without children:	20,302*	X	2.7% =	<u>548</u>
Total:				1,807

\*Source: Jan. 1, 1984 DOF Estimate

## Farm Workers

The 1980 Census does not give specific data on farm workers. The Census does list some 1,103 persons within the City as being employed in agriculture, forestry, fisheries, and mining occupations. For Visalia, this essentially means employment in agriculture. The TCAG Housing Needs Projection Report states that statewide, farm worker families were estimated to have an average annual income of less than \$6,000 in 1976. It can reasonably be assumed that the vast majority of these families are still low income persons. The low income of these families is directly related to the fact that their employment status is something less than year-round. Because of these factors, they are often unable to compete for housing on the open market. In addition, most speak little English and are more easily discriminated against within the housing market than other groups.

Seasonal and migrant workers represent about 75% of the total County's farm worker population, according to the TCAG report. Seasonal workers are usually local residents who find employment in the agriculture industry to support their families. Migrant workers are those who travel more than 50 miles across County lines for the purpose of obtaining agricultural employment. Housing for this last group often includes substandard overcrowded conditions, in part due to constant travel. The TCAG report estimates that, of the 1,103 persons listed by the Census within the City as being employed in farming, some 263 were regular or full time employed farm workers and 738 were seasonal. The number of migrants was not estimated.

The TCAG report projected the number of farm worker households for the County for 1990. The difference between the 1990 projected households and the number determined to be existing in 1980 was then distributed among the cities in the County based on each jurisdiction's share of households employed in the farming, fishing, and mining occupational category. For the City of Visalia, this need was determined to be 20 housing units by 1990. Since there have been no farm worker housing units constructed within the City since 1980, the TCAG projection of 20 units is still valid.

## Asian Refugees

As stated previously, some 1,600 Asian refugees, or about 400 families, are believed to have relocated to Visalia within the past two years. There are no income figures available for these families; however it is known that most are receiving some form of public assistance, and few are employed because of lack of marketable skills in this culture, language and cultural barriers. Tulare County and other agencies are presently teaching language and skills classes to these persons. Because of their culture and need for common support, these families tend to live in what would be considered overcrowded conditions by the normal HUD and Census standards. However, these "overcrowded" housing units tend to be comprised of extended families, and are not generally perceived by these families as constituting a hardship.



## SUMMARY OF COMMUNITY NEED

The total need for housing within the community includes those existing households in need of some form of housing assistance, resulting from overcrowding, overpayment, substandard conditions, and the special needs of particular groups within the population. In addition to existing need, provision must be made for the future population expected to reside in this community. In accordance with State law, TCAG has projected need for future new construction in order to accommodate the projected population growth in the period from 1980 to 1990. The above discussion has refined this projection by subtracting from that future need, the number of new units which have been constructed within the City since 1980, including those constructed under programs for low income persons. The total remaining housing need for the community can thus be summarized as follows:

### (A) Existing Households in Need of Assistance

Overpayment:	3,792
Overcrowded conditions:	812
Substandard dwelling units:	870

### (B) Households with Special Housing Needs

Handicapped:	1,224
Senior Citizens:	3,654
Large families:	2,231
Female headed (with children)	1,259
Asian refugees:	400

### (C) Projected Need for New Housing

For very low income households:	1,608
For low income households:	1,482
For moderate income households:	1,301
For above moderate income households:	<u>2,688</u>
Total new units needed, 1984-90:	7,079
For farm workers (included above):	20

It should be noted that, within the broad area of determining the number of existing households with a need for some form of housing assistance, there is a large degree of overlap between the various subcategories. That is, persons living in overcrowded conditions oftentimes are also living in substandard housing, or are paying more than they can afford for that housing. These same persons may also belong to one of the groups which have been identified as having special housing needs. It is impossible to determine the degree to which these categories overlap. Therefore, no attempt will be made to estimate the total number of households from all of these subcategories which together represent the total existing need. Rather, each category is identified as having its own number of households which are in need of assistance; various programs are intended to address one or more of these specific needs.

# **CHAPTER TWO**





## CHAPTER II

### CONSTRAINTS ON MEETING COMMUNITY HOUSING NEEDS

Identifying the community's housing needs is the least difficult part of the housing "problem". Devising policies and implementation programs which will actually satisfy these identified needs is quite another story. There are a myriad of conditions and factors which collectively act to constrain the ability to meet those needs. These can be summarized under three general areas: availability of appropriate, adequate land for new construction; governmental constraints on the provision of new housing and utilization of innovative concepts; and market constraints which also act to inhibit construction and creative problem-solving. The following sections address these three main constraining factors.

#### LAND AVAILABILITY

Within Visalia and the surrounding areas, few natural constraints exist which inhibit the development of land. The area's topography is generally flat with no hills or steep slopes; there are few mature woodlands or trees, with the exception of agricultural land cultivated in orchards; and the area generally does not contain wetlands or alluvial soils which pose significant problems for construction. There is a significant portion of the area which lies in flood plain; however, it is not anticipated that it will become the policy of the City to preclude development from occurring in flood plain areas, so long as Federal Flood Insurance construction standards are observed. The two significant resources which do exist are occasional groves or stands of native Valley Oak trees and several significant natural streams, including the St. John's River which borders the City on the north.

The following table shows the approximate total acreage within different residential zones in the City in 1980. This is not separated into developed and undeveloped land.

ACREAGE IN RESIDENTIAL ZONES  
1980

<u>Residential Zone</u>	<u>Total Area in Acres</u> (Approximately)
R-1-6	5,101
R-1-4.5	61
R-1-12.5	161
R-1-20	30
R-A	319
RM-2	501
RM-3	218
Total	6,391

Source: Visalia Planning Division estimate - 1980.

## General Plan Designations and Capacity for Additional Residential Development

As shown in the preceding table, the City's most prevalent residential zone is R-1-6, requiring a minimum of 6,000 sq. ft. per unit. At this lot size, most developers expect to achieve a gross density of four to five units per acre in standard single family (detached) subdivisions with City streets. Under the City's Planned Unit Development Ordinance, if private streets are utilized, the maximum achievable density increases to 7.26 units per acre. The following table shows presently undeveloped land already zoned or designated for urban residential development by the Modoc and Northeast Specific Plans.

### INVENTORY OF VACANT LAND AVAILABLE FOR DEVELOPMENT , 1984<sup>1</sup>

<u>Zoning/Housing Type</u>	<u>Number of Acres</u>	<u>Density Range (Units/Acre)</u>	<u>Dwelling Unit Capacity</u>
Single Family	2,000	2 - 10	10,500
Multiple Family	350	12 - 30	4,800
Redevelopment Potential	200	5 - 30	2,000
Manufactured Housing <sup>2</sup>	-	4 - 6	--
Non-Residential	<u>1,000</u>	--	<u>--</u>
Total	3,550	2 - 30	17,300

Source: Visalia Planning Division estimate - 1984.

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<sup>1</sup> Includes Specific Plan areas.

<sup>2</sup> Includes manufactured housing on individual lots. Mobile home parks are allowed as a conditional use in all residential zones.

As shown in the above chart, there is available land zoned or under specific plan designation for more than enough single family and multiple family units to meet the projected need for new housing to 1990. However, it is not possible to estimate the number of mobile home park lots which may be approved. This is because mobile home parks are only allowed as conditional uses. While manufactured housing is permitted on individual lots in the R-1-6 zone, mobile homes are not; since only four manufactured homes on individual lots have been constructed since 1980, these are not anticipated to fulfill a significant portion of the manufactured housing need in Visalia.

### Potential Infill Areas

While development of large vacant areas designated for future development by the General Plan primarily satisfies the need for new housing units, further development of "infill" sites within existing, built up areas can also help meet this need and that of existing

residents. Infill development is defined by the Visalia Housing Task Force as "the development of new housing or other buildings on scattered, vacant sites in a built-up area". Essentially, these are either single vacant lots, under-utilized large lots, or larger undeveloped pieces of land which have been bypassed for previous development. Infill development is especially valuable for meeting affordability needs, as these properties tend to have lower development costs than do vacant tracts at the fringe, which are not yet served by public services. In addition, infill development promotes energy conservation since such development is usually located closer to essential services; increases efficiency of public service delivery (police, fire, transit); represents a better utilization of existing infrastructure and reduces the need for new, costly facilities in the outlying areas; increases property tax revenues as passed over properties are developed; and preserves prime agricultural land by reducing the need for additional development in fringe areas.

The potential for infill development includes a number of subdivided, but as yet unbuilt, residential lots within the City. Many of these are located in heavily built-up areas and do not include larger, unsubdivided parcels. Other potential infill areas include older sections of the City where lots are particularly deep or large; many of these parcels could be subdivided into developable lots without rezoning. Figure 2 indicates locations of some larger vacant parcels and subdivided, unbuilt lots which have infill development potential.

Several factors tend to discourage infilling by the private sector. These include the higher price for land in established areas; difficulty of assembling adequate sized parcels of land; and neighborhood pressures to keep infill areas undeveloped or to preserve lower zoning densities.

#### Potential Redevelopment Areas

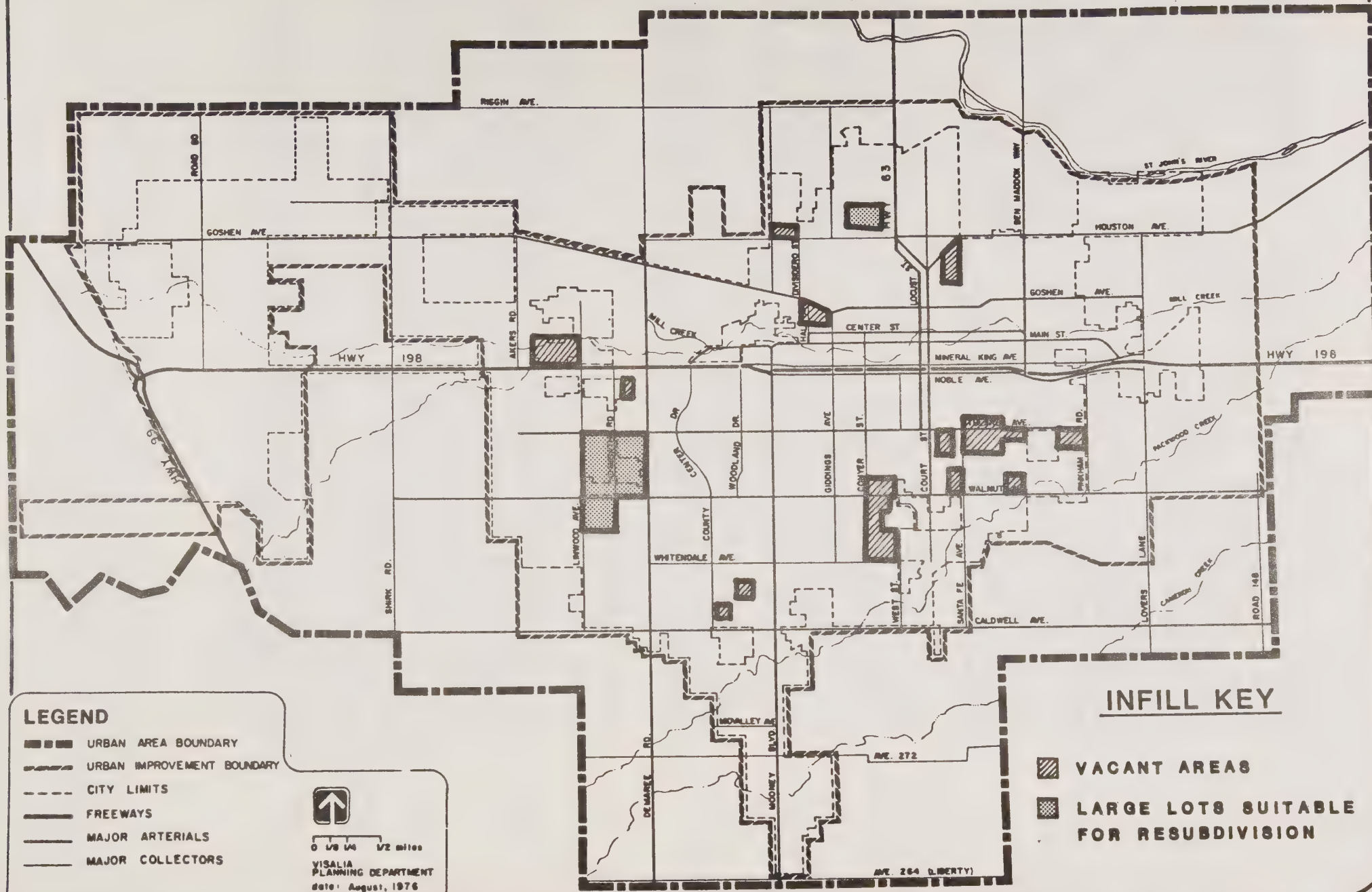
A third way in which the community can provide new housing is to redevelop areas of deteriorated housing or areas where commercial and other land uses are no longer economically viable. Recently, a non-profit corporation, known as VIAH, Inc. (Visalians Interested in Affordable Housing), was formed for the purpose of developing low and moderate income housing. In conjunction with VIAH, the City entered into a joint venture to redevelop a twelve acre area in North Visalia, known as "Block 11". The result was Twin Oaks, a Planned Residential Development with 89 new single family homes on small lots. Seventy-six of these homes were sold under the HUD 235 low/moderate income ownership financing program.

Another project in the planning stages is the redevelopment of a two block area south of the Town Meadows senior housing project, which will add a number of new senior housing units and expand the existing Senior Citizens' Services Center.



# FIGURE 2

## POTENTIAL INFILL SITES



In 1980, the City undertook, with the aid of a consultant, to develop a master plan for the downtown area. This plan calls for approximately 2,000 new dwelling units to be constructed within the downtown/central core area. These new housing units would accomplish the dual objectives of adding to the existing housing stock and supporting additional commercial development downtown. The Downtown plan calls for these units to be "urban residential" in character; that is, developed at relatively high densities. As such, some of these units may be apartments or lower cost condominiums which could be targeted at the moderate income housing market.

Several other areas are also potential redevelopment/infill sites. These have not been specifically identified for particular redevelopment projects by City policy at this time; instead they represent areas which have the potential for redevelopment and have been mentioned for this possibility during discussions of housing issues. These include the "stockyards" and the area generally west of Ben Maddox Ave., north of Main Street and east of Santa Fe Avenue; and the one to two block deep area between Bridge and Santa Fe Streets, running parallel to the Oval neighborhood, from approximately Race Street to the intersection of Santa Fe and Northeast First Street. There are also scattered sites with redevelopment potential throughout the downtown/central core area.

Finally, there are several areas which were initially developed in the County and consist of large parcels or long, narrow lots, which have the potential for resubdivision and new development. However, no analysis of appropriate densities in these areas has taken place. This issue should be considered from both a market and a land use compatibility standpoint. Consideration should also be given to how such development would impact or "fit in" with the neighborhoods in which they are located. The first step towards realizing the potential of these areas, should be a neighborhood-by-neighborhood effort to identify them and an analysis of appropriate development types.

#### Rehabilitation/Neighborhood Preservation Efforts

Another form of redevelopment is the rehabilitation of substandard units. Rehabilitation assists the needs of lower income persons and upgrades the overall quality, attractiveness and viability of their neighborhoods. In addition to these objectives, rehabilitation and neighborhood preservation also promote energy and resource conservation by reducing the need for new construction in outlying areas; represent a more efficient use of existing infrastructure resources; provide less expensive lower income housing; and provide a means for assisting more low income families than do new housing programs. The Visalia Redevelopment Agency currently administers a rehabilitation program which primarily utilizes HUD Community Development Block Grant (CDBG) funds. This program provides comprehensive rehabilitation assistance through low interest loans to qualifying homeowners and landlords of low income housing in two target areas and the City at large. The current target areas were determined through the 1982 Housing Conditions Survey previously described and an analysis of incomes, tenures, and other relevant factors.



## GOVERNMENTAL CONSTRAINTS

One of the more popular solutions to the overall question of affordability of housing over the past few years has been to call for the removal of "unnecessary" governmental restrictions on housing. That is, zoning, subdivision, growth management, and other regulations and constraints are often perceived to be over and above what is necessary to insure the public safety and welfare with respect to housing construction and land use issues. It would appear that this approach has some merit; one recent study by the University of California indicates that some 30% of the overall cost of housing can be attributed to governmental regulations of one form or another. Yet, such statistics represent a tempting oversimplification of this issue.

While some standards and regulations may be excessive, the basic thrust of most of these is enhancement of the community and protection of the public's health, safety, and welfare. It is possible to identify regulations, standards and procedures which have potential of "over-regulating"; however, it is neither possible nor desirable to "do away" with all of the portion of housing costs which might be attributed in some way to regulatory standards. Most of these are indeed necessary to protect the health and safety of the immediate occupants of housing; others impact particular residents indirectly, yet still provide overall safeguards to the community at large. While the extent of some regulations may be debated, there would be little support for wholesale repeal of environmental and quality-of-life type regulations which are in place and expected by the majority of the community.

There are a number of regulations which should be examined. This Element will identify some of these and wherever possible, formulate policies to create greater efficiency or aid housing production. In general, this analysis will concentrate on two jurisdictional levels; state/federal and local regulations.

### State and Federal Regulations

While there are a myriad of state and federal regulations which affect the local provision of housing to one extent or another, one federal regulation has been recently identified by a number of local developers as constituting a particularly difficult impediment with regard to common interest subdivisions or PRDs. This is the FHA financing requirement that, for all developments financed through the FHA program, those which contain a common property to be owned by a homeowners association must be presold by 51%; that is, over one half of all the units in a PRD must be sold before the first escrow can be closed. This means that, in a slow market, many months could elapse from the time the first unit is sold until over half the units in the entire development are sold and can actually be closed. This creates a very high risk for the developer. (See letter from Old Town Builders in Appendix E.) This is particularly detrimental to moderate income, market rate housing because this regulation only affects PRDs, which typically include densities somewhat higher than those which can be achieved through conventional, single family developments. It is the PRD densities which allow most of the moderate income, ownership housing provided by the private market to be constructed. FHA financing is usually important



for such developments because of the somewhat lower interest rates which can be realized over private financing.

The State Department of Real Estate processing regulations also have a locally dampening effect on PRD development. The Department of Real Estate review process is required for all subdivisions; however, the process to review common interest subdivisions (or PRDs), involves a much longer time frame than does the process for conventional subdivisions. Again, this acts as a detriment to providing the higher densities and superior design features which PRDs are intended to achieve.

Other State and Federal regulations which may affect the cost of housing locally include the Federal Flood Insurance Program; CEQA; State Water Resources Reclamation Board policies; and State and Federal low and moderate income housing programs.

#### Local Regulations: The General Plan

As required by State law, Visalia has a General Plan consisting of nine mandated elements (Land Use, Circulation, Housing, Safety, Seismic Safety, Noise, Scenic Highways, Conservation and Open Space). In addition, the City of Visalia has adopted three permissive elements: Urban Boundaries, Recreation, and Historic Preservation. Of these elements, those with the most direct impacts upon housing are Urban Boundaries, Land Use and Circulation, and Historic Preservation.

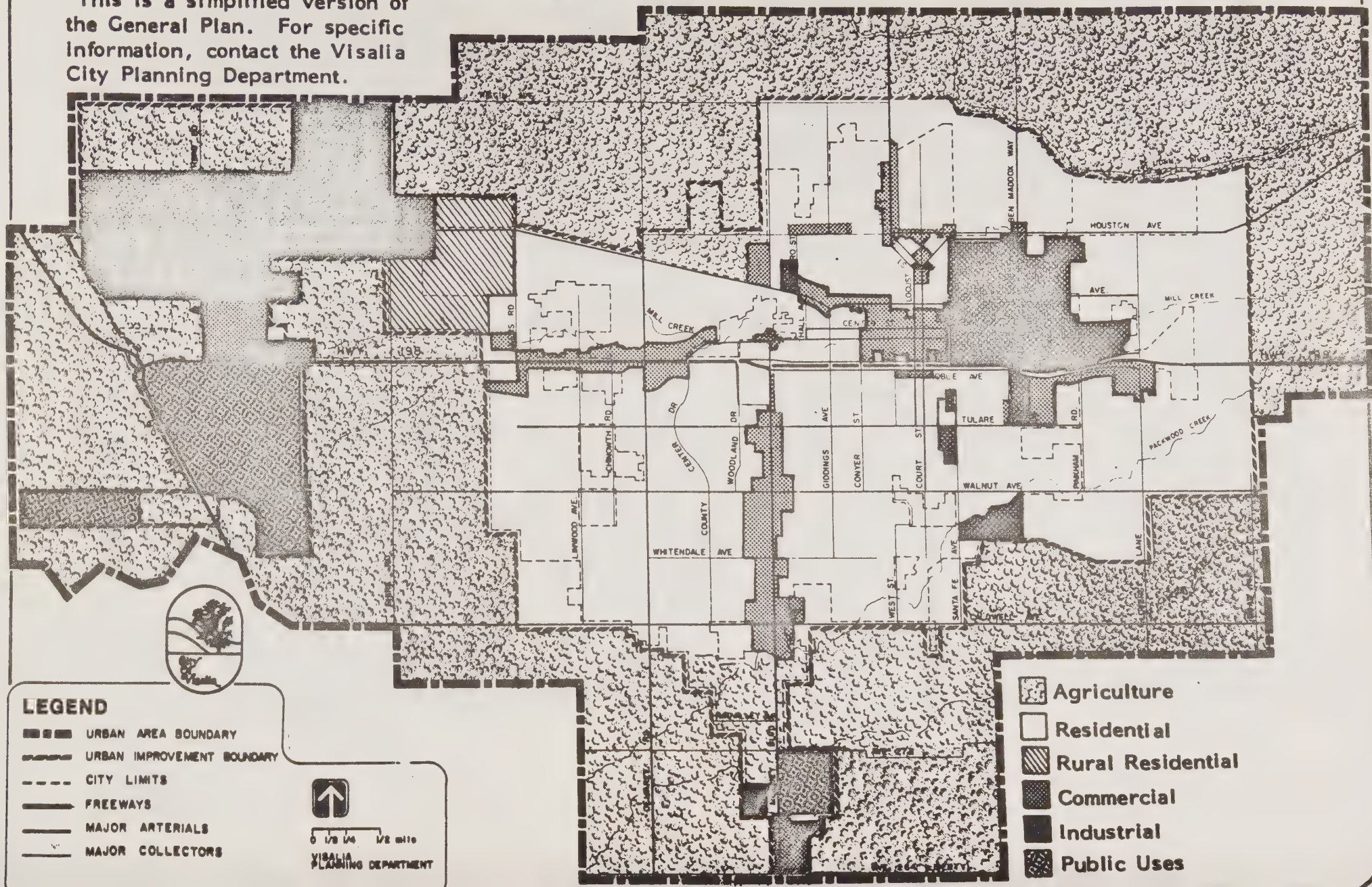
The Urban Boundaries Element, originally adopted in 1975, corresponds to the Tulare County Urban Boundaries Element adopted in 1974. It established boundaries and policies which identified the transition areas between future urban and agricultural lands, and the general location of future growth and development for a 20-year time frame. This Element formed the framework for the development of the Land Use and Circulation Element of the Visalia General Plan in 1976. The intent of this Element was also to provide a basis for review of annexation proposals, within the context of identified policies.

As originally adopted, the two Urban Boundary Elements of the City and County differed significantly as to the areas designated for 20-year development. The Urban Boundaries Element of the County's General Plan was recently revised and updated for the Visalia area. New policies and development lines were identified, with the overall objective of better coordinating the development policies in areas designated by the two jurisdictions. This process involved both City and County reviews of previous policies and designations, with both entities holding public hearings. The City subsequently made a recommendation to the County Board of Supervisors that the Visalia development area should not be changed from that presently designated by the City's Element. The County Board ultimately agreed with this recommendation and revised its own boundary designations to coincide with those of the City.



# FIGURE 3 Visalia General Plan - 1976-96

\*This is a simplified version of the General Plan. For specific information, contact the Visalia City Planning Department.





The Land Use Element of the General Plan, adopted by the City in 1976, designated a large portion of the area within the 20-year Urban Development Boundary for residential uses. This designation is not specific with regard to residential density or single vs. multiple family dwelling types. This was purposely done in order to increase flexibility, so that zone changes from one residential density to another do not require General Plan Amendments. Actual residential densities are controlled through zoning decisions based on policies contained in the Land Use Element. Figure 3 is a reproduction of the Land Use Map, including development boundaries designated by the Urban Boundaries Element.

Although residential densities are not specified on the Land Use Map, the Element does spell out specific policies regarding single and multiple family densities, based on community need. The following criteria guide the design, location, and processing for multiple family development:

1. All multiple family housing projects in excess of eleven dwelling units require a conditional use permit. The intent of this provision was to ensure that proper design standards are utilized within these developments and that adverse impacts on the surrounding areas and neighborhood are prevented.
2. Multi-family residential development should be located as close as possible to other high intensity land uses such as commercial, quasi-public (institutional) development, major arterial streets, etc. When analyzing particular multiple family proposals, surrounding land uses should be considered.
3. New multiple family developments may be required to provide recreational and open space facilities to meet the needs of their residents. No adverse impacts should be created on existing recreational facilities; conversely, residents should not be left without recreational opportunities if there is not a public park nearby.
4. The impact of multiple family development on neighborhood schools should be minimized. The Visalia Unified School District administration is given the option to review all projects through this process and are requested to comment on the school's ability to provide services.
5. To the extent possible, potential impacts on noise, appearance, and privacy of the areas adjacent to proposed multi-family developments should be mitigated or eliminated. This may take place through design considerations such as orientation/location of units, height of units, landscaping, open space, parking, access and internal circulation.
6. Multiple family development should not create an adverse impact on the existing circulation pattern. The traffic impact of each project should be evaluated and the cumulative impact considered, together with other such developments in the area.



7. Multiple family development should not be overly concentrated along any one major arterial street.
8. In order to ensure that no one neighborhood is being overly developed to an extent that its service facilities e.g. schools, parks, streets, etc. are adversely impacted, the Planning Commission and City Council should review the housing stock and the cumulative impacts of multiple family housing for each project, at the time of the review for the proposed project. This takes place through the conditional use permit process.

Although all of the above policies combine in the consideration of rezoning requests, there is no particular policy stating what amount of land should be zoned for multi-family use. Presently, there are 3,489 multiple family dwelling units in the community (16% of the total). Approximately 350 acres of vacant residential land is zoned R-M-2 and R-M-3 (multi-family). At maximum permitted densities, approximately 4,800 units can be built on this available land (see p. 29).

One land use policy which some local developers and housing advocates feel does have a potentially dampening effect on housing is that of requiring a conditional use permit for all multi-family developments in excess of eleven units. The purpose of the conditional use permit is to insure adequate design standards, quality, and onsite mitigation measures to minimize impacts to the surrounding area. However, this process does subject the proposed development to a second public hearing and discretionary review after the necessary zoning has already been granted. It should be noted that, within the two Specific Plan areas, land designated for multiple family development is exempted from the CUP process. This includes some 2,400 units in the Northeast and over 1,100 units in the Modoc area, for a total potential of some 3,500 multi-family units not subject to the CUP process.

#### Historic Preservation Element

In 1979, the City Council adopted the Historic Preservation Element of the General Plan. The adoption of this element marked the culmination of over two years of work by the Council-appointed Historic Preservation Committee, composed of 16 local citizens. The committee, aided by over 100 community volunteers and a consultant financed by the State Office of Historic Preservation, completed a survey of over 3,000 structures in older portions of the City. Members of the committee, advised by the consultant, researched and documented information on over 100 structures and nominated over 300 to a local register of historic places.

The local interest in historic preservation was generated by many residents interested not only in older homes and structures of the area, but who also felt that the livability and character of many of the historic neighborhoods were threatened by the construction of poorly designed and managed multiple family structures. Visalia, like many other cities, had zoned much of its older neighborhoods for multiple family uses. Therefore, land owners had more incentive to demolish historic single family structures in order to put up an apartment building than to preserve the unique character of these structures. The City Council responded to residents' concerns by rezoning most of these

areas to single family residential uses and instructed the committee to develop a Historic Preservation Element.

While the downzoning of these areas might be viewed by some as an impediment to the need for providing more multiple family rentals, there were many adverse impacts from the existing multi-family structures in these areas which made them incompatible with these unique neighborhoods. Most were insensitively designed with regard to size, scale, materials, and contained inadequate parking, open space, and other amenities. The existing single family structures may still be rented; and zone changes are still considered on a case by case basis. The three-part Historic District covers a relatively small portion of the City as a whole. (See Figure 4.) Most of these areas are already developed; where the few infill-type lots do exist, new development may take place as long as its design does not conflict with the character of the surrounding area.

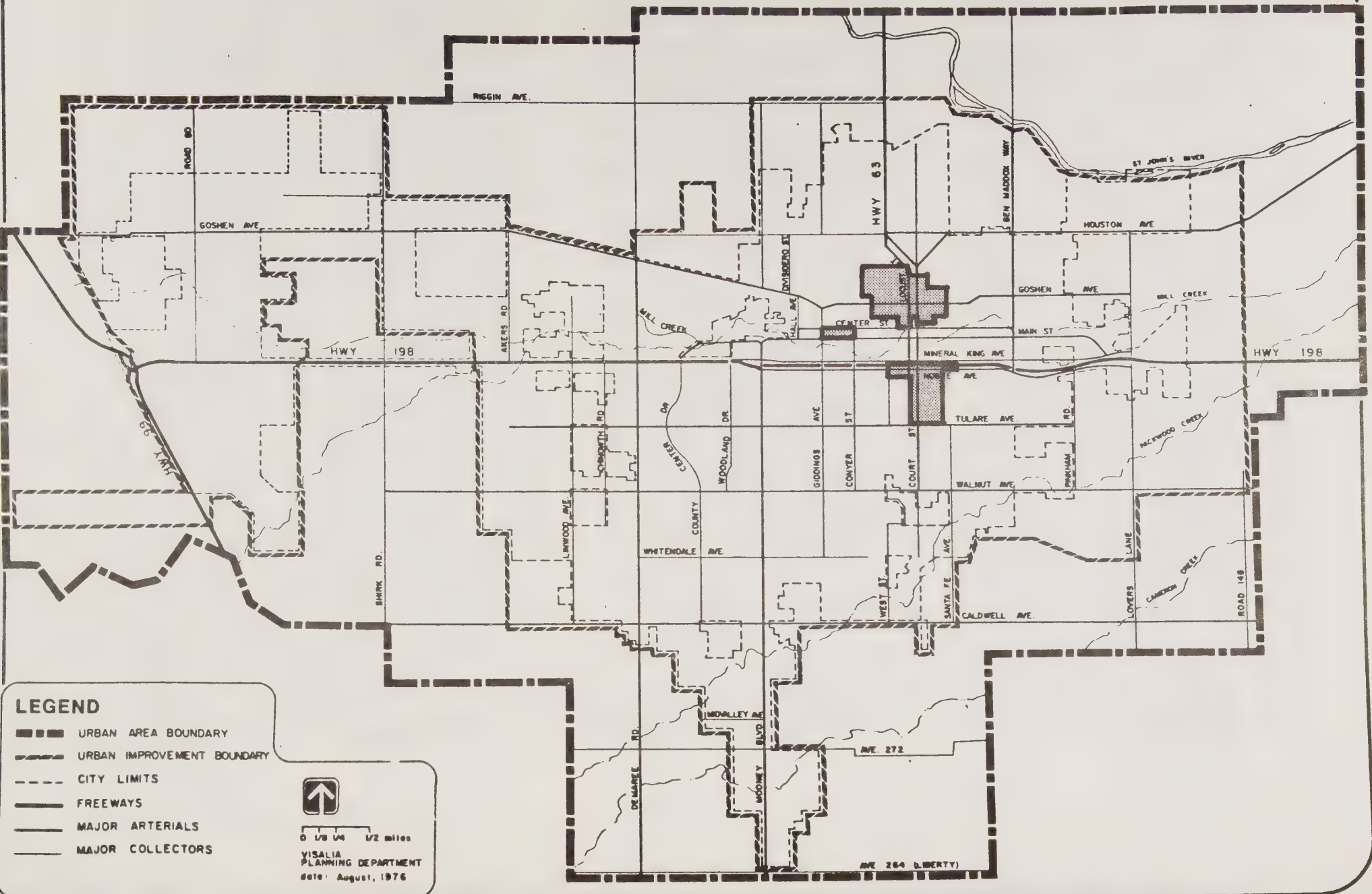
Following adoption of the Historic Preservation Element, the City Council approved a Historic Preservation Ordinance as part of the zoning ordinance. Under the terms of this ordinance, the Council-appointed Historic Preservation Board reviews proposed zoning actions and site plans within the three historic districts and forwards its recommendations to the Planning Commission. Additionally, the Board reviews applications for new construction or remodeling within the districts and for selected historic structures located outside the districts. The Board reviews proposed building elevations with respect to their compatibility with surrounding historic structures (in the case of new construction) or with regard to the effect of exterior remodeling upon the architectural integrity of individual structures. The Board reviews proposals to demolish historic structures and in some cases may deny or place up to a six month moratorium upon demolition while other alternatives are sought. The Board also reviews sign and fence permit requests.

#### Recreation and Open Space Element

In 1980, the City revised its Conservation, Open Space, and Recreation Element and adopted a new standard of 7.6 acres per 1,000 people of total park space to be provided throughout the City. This was an upward revision of the previous standard of 6.4 acres per 1,000 population. Part of the reason for this increase was density increases, inadequacy of some existing facilities, and an attempt to bring Visalia closer to the national standard of 10 acres per 1,000 population recommended by the National Recreation and Park Association. The reasoning for adopting a standard less than 10 acres per 1,000 is that the nearby availability of mountains, coast, agricultural lands, and the rural nature of the overall region also contribute to the open space needs of the community. The 7.6 acres per 1,000 population standard includes all open space to be provided within the City; private, school grounds, and City neighborhood and community parks. The City's "share" of this 7.6 acres per 1,000 persons is 4 acres for neighborhood and community parks. School sites and private recreation facilities make up the remainder of the standard.

# FIGURE 4

## HISTORIC PRESERVATION DISTRICT





Quimby Fees are charged for each residential unit constructed, except for planned developments and areas within specific plan areas which will be collecting special fees for neighborhood parks. Quimby Fees are currently set at \$200 per unit for single family residences, \$150 for duplexes and \$100 per unit for multiple family residences. Very little Quimby money has been collected over the past several years, due to the fact that most development is either a redevelopment of existing buildings (which is exempt) PRDs, or within a specific plan area. In addition, the present fee levels are inadequate to provide the City's "share" of open space with today's development cost. The Leisure Services Department has estimated that Quimby Fees would have to be more than three times their present level in order to effectively provide enough money to finance the City's open space standard. If this standard is to be maintained as City policy and Quimby Fees are in fact to pay entire cost of providing it, the increased fees would constitute an additional housing cost unless some form of mitigation is devised.

### Specific Plans

To date, the City has prepared two specific plans for particular areas within the City. The first of these was completed in 1980 and consists of approximately 1,600 acres known as the Northeast Area. This area is bounded by the St. John's River on the north, the Santa Fe railroad tracks on the west, the commonwealth Edison power line easement (which also constitutes the urban development boundary) on the east, and Highway 198 on the south. The Modoc Specific Plan covers an area north of Houston Ave. comprising some 324 acres. This area is bounded by the Santa Fe railroad tracks on the east, North Mooney Blvd. on the west, Riggin Road on the north, and Ferguson Street, and Prospect Avenue on the south. These areas are indicated in Figure 5.

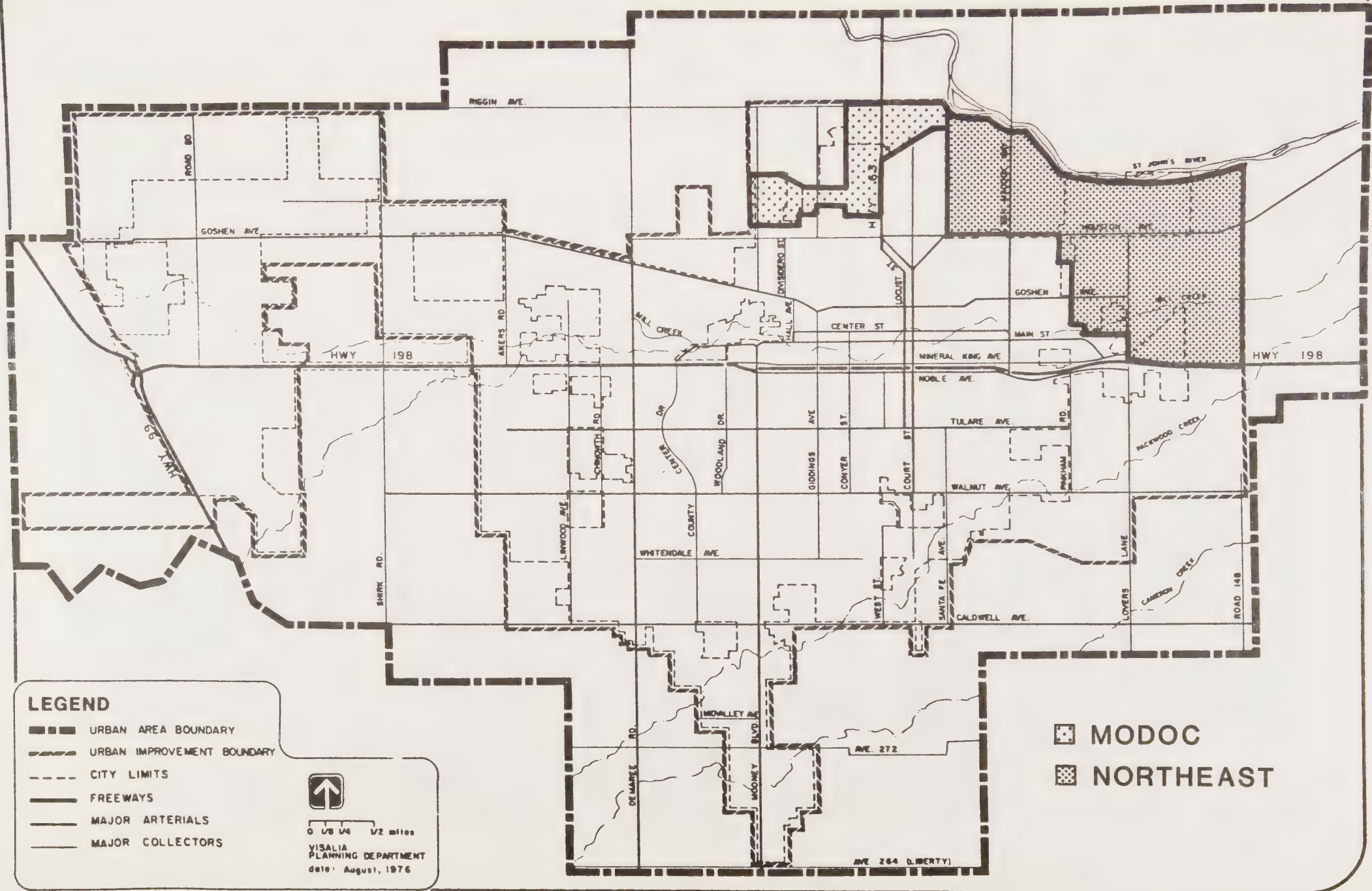
The Northeast Specific Plan designates not only zoning densities, but also the locations of arterial and collector streets, storm drainage system, open space amenities including neighborhood parks, bike paths, etc., and specific design standards for linear street landscaping and walls. The Specific Plan process provided the City with an opportunity to reconsider its development standards and resulted in the reduction of street widths for residential streets, the preparation of a master environmental impact report for the entire area, and provided for some 8,800 dwelling units. The revised street standards adopted for local streets in the northeast have subsequently been adopted Citywide.

The Northeast Plan has been keyed by several developers, realtors, and the Housing Task Force as an area which needs to be addressed. The Task Force called for a complete and comprehensive reevaluation of the specific design standards, with the intent being to preserve the qualitative performance of the Plan while reducing cost. Another issue is that the total number of dwelling units in the Plan area does not measure up to the maximum number of units which could be achieved throughout the various zoning designations. This is because sewer limitations restrict total development of the area to 8,800 dwelling units. Possible alternatives are to rezone to match allocated sewer densities or reduce the area of the Plan to allow maximum development at currently designated zoning densities.

The Modoc Specific Plan was completed and adopted by the City Council in 1983. Although the Modoc Plan encompasses a much smaller area than the Northeast Plan, in some respects it will be more easily implemented. Rather than adopt special design standards as was the case in the Northeast Plan, the Modoc Plan uses Citywide landscaping and street treatment standards. Open space is designated as park/pond areas for drainage and recreation and a bike/pedestrian path along the Modoc Ditch. The area is bisected by Route 63 (Dinuba Highway) and therefore, contains significant areas of regional commercial development, unlike the Northeast Plan.

# FIGURE 5

## MODOC & NORTHEAST SPECIFIC PLANS





## Zoning Ordinance

The Visalia Zoning Ordinance provides for several different single and multiple family zoning classifications. These are categorized by density, through minimum site or lot area, as follows:

### Single Family (R-1)

R-1-4.5 - 4,500 sq. ft. minimum  
R-1-6 - 6,000 sq. ft. minimum  
R-1-12.5 - 12,500 sq. ft. minimum  
R-1--20 - 20,000 sq. ft. minimum

### Multiple Family (RM)

RM-2 - 3,000 sq. ft. per  
dwelling unit  
RM-3 - 1,500 sq. ft. per  
dwelling unit

The zoning ordinance contains no minimum square footage requirements for residential structures. All zoning is to be consistent with the General Plan and requests for zone changes are evaluated based upon General Plan policies outlined previously.

The following are standard provisions and requirements of the residential zones:

### Single Family (All R-1)

1. Setbacks: Minimum front yard, side yard, and rear yard setbacks (varies by lot size).
2. Coverage: No maximum coverage requirements are specified at present.
3. Site Area/Lot Size: As designated above.
4. Off-Street Parking: Minimum of one covered and one uncovered space per dwelling unit, regardless of lot size.
5. Height: Maximum of 30 feet for primary structures, 12 feet for accessory structures.

### Multiple Family (R-M)

1. Setbacks: Minimum front yard, side yard, and rear yard setbacks (varies by zone).
2. Coverage: No maximum coverage requirements are specified at present.
3. Site Area: As designated above.
4. Height: R-M-2 - maximum height, 30 feet; R-M-3 - maximum height, 35 feet.
5. Off-Street Parking: Minimum of one covered and one uncovered space per dwelling unit, regardless of zone.
6. Processing: Issuance of conditional use permit for any proposed development of more than 11 units is required; all

multiple family developments must be approved through the Site Plan Review process, regardless of size.

7. Trash Enclosures: Must be provided with location to be approved by Site Plan Review Committee.
8. Open Space/Recreational Areas: May be required for any project approved through the conditional use permit process.
9. Landscaping: All developments must provide and permanently maintain adequate landscaping.

The Visalia zoning ordinance also permits planned unit developments (PUDs). The ordinance allows a number of different residential densities and neighborhood commercial uses to be combined on a given site, provided the density allowed by the underlying zoning is complied with. Also, commercial and office uses are governed by specific General Plan policies regarding the location of the facilities within the community.

The intent of the PRD is to add a dimension of flexibility into a development not achievable through a standard subdivision. For example, if private rather than public streets are utilized, additional density may be achieved through dividing the entire site area less public dedications by the underlying zoning density (for R-1-6, this would be 6,000 sq. ft.); thus, under R-1-6 zoning, a PRD may achieve up to 7.26 units per acre, while a standard subdivision would achieve a maximum of about five units per acre. In addition, setbacks, height limits, structural separations, etc. may be varied from the rigid standards of a conventional subdivision. Additional off-street parking may be required with private streets, as needed.

The zoning ordinance also provides for Special Zoning Exceptions, a procedure which enables the City to process zoning changes for specific uses or development types, where the particular request is desirable but a blanket rezoning would not be appropriate. This enables the City to insure that the particular proposal being considered is what is actually built on the property after the zoning is granted. Although this process is more restrictive to the applicant than a traditional rezoning, it allows a much greater flexibility in considering rezoning requests, in that specific requests may be approved where a blanket rezoning would not be appropriate and would not be granted.

With regard to the effect of the zoning ordinance on provision of housing, the ordinance does provide some flexible procedures such as the PUD ordinance and the Special Zoning Exception provisions. In addition, it is generally recognized that processing times for zoning and conditional use permit requests in Visalia are much shorter than is typical in other cities, particularly in the metropolitan areas. On the other hand, there is also some inflexibility built into the ordinance. Although numerous changes in format and processing requirements have been made over the years, it is the opinion of the local development community that many of the ordinance's provisions do not respond well to current market conditions and do not respond well to the market or the "state of the art" in current (private) planning practice. These

criticisms generally boil down to three main categories: density, site requirements/standards, and processing.

The City has already implemented some more flexible provisions. In particular, pursuant to a change in state law requiring jurisdictions to allow them, the City has recently passed an ordinance permitting second dwelling units or accessory apartments on single family lots, subject to certain performance criteria (see Appendix D). The Planning Commission and City Council are also considering proposals for affordable housing density bonuses, infilling, and resubdivision of lots with alley access. Specific details are to be worked out and subject to approval at the time of the zoning ordinance revisions which will take place following adoption of this Element.

With regard to site development standards, an ordinance permitting garage conversions has already been implemented, through a recent change in the zoning ordinance (see Appendix D). The City Council and Planning Commission are also considering a revision of parking standards at the time of the general zoning ordinance review, with specific requirements to be identified at that time.

As for processing requirements, the Planning Commission and City Council have also reviewed a Housing Task Force recommendation for administrative variation of lot standards and a zoning administrator to process variances and lot line changes, proposals for eliminating the minimum parcel size for PRDs and making mobile home parks a permitted use in residential zones, and eliminating the PRD/CUP requirements for multiple family development, PRDs and common interest subdivisions.

Another issue which has been raised recently is whether the PRD ordinance in its present form, as well as the general requirements of the other residential zones, are adequate to provide for one new form of housing known as "zero lot line" housing. Zero lot line housing is either a single family attached or detached dwelling on a small lot, usually 3,000-4,000 square feet. If attached, the unit is attached to only one other dwelling, with the "zero" lot line running through the common wall of the two units. In both attached and detached forms of this dwelling type, the house is essentially turned "sideways" on the lot, with bedrooms and major living areas facing to the side and only the garage facing the street. This has the advantage of much better utilization of the sideyard area of a lot, and the provision of a much greater degree of privacy in these areas for the individual residents, while requiring a much narrower lot than is the case with a standard single family home. The dwellings themselves are designed to orient towards and take advantage of the different kinds of outdoor spaces which this configuration provides. If detached, the neighbors' wall which faces a dwelling's living area contains no windows, insuring privacy within the side yard. If attached, a fence or wall separates the side yards of the two units which face each other.

This housing type was the basis for a Housing Task Force proposal for changing the basic single family zone from 6,000 to 4,000 sq. ft. minimum lot size. The 6,000 sq. ft. zone requires a lot which is excessive in both area and width (60 feet) for this dwelling type. Because the "ZLL" house may be placed on individual, single lots which can be subdivided for ownership, it does not necessitate common areas;



townhomes and other attached housing require some common areas by necessity, as typically more than two units are attached in each building cluster. Because of the FHA and State Department of Real Estate requirements discussed previously, some developers are reluctant to provide common recreation/open space or private streets, as presently called for by the PRD ordinance. Either of these would make ZLL developments a "common interest subdivision" and subject to the additional processing and sales requirements of these Federal and State agencies.

### Subdivision Ordinance

The City's subdivision ordinance requires that the development of a residential subdivision provide certain standard urban improvements, including roads, curbs, gutters, sidewalks, underground utilities, mailboxes, sewer and water lines, storm drains or swales, proper grading, curb cuts and driveways, fencing, street lighting, fire hydrants, retaining walls, etc. It is anticipated that some revisions to these requirements will be made at the same time as the zoning ordinance is reviewed.

### Building Code

The City of Visalia has adopted and enforces the Uniform Building Code, Uniform Plumbing Code, Uniform Solar Energy Code, Uniform Mechanical Code, National Electrical Code, Uniform Swimming Pool Code, the California Historic Building Code, the California Architectural Barriers Law, and the new State energy conservation requirements. While it is generally recognized that many provisions of the Uniform Building Codes contribute to the cost of housing, any reform in standards of these codes must come at the national and state levels; it is beyond the authority of the City to change these uniform codes, with the possible exception of an advocacy role for more flexible standards, where warranted.

### Service and Facility Infrastructure

The largest capital budget item which the City must pay for in order to provide for housing development is its wastewater treatment facilities. The Wastewater Treatment Plant was recently expanded and currently has a capacity of 12.5 million gallons per day (MGD), enough to serve some 6,384 new households. The total projected need for housing as projected by TCAG for 1990 is 7,109 units. This means that the plant's current capacity falls some 725 dwelling units short of meeting the projected need for the year 1990. In order to fully meet the projected need then, the plant should be expanded some time around 1989.

Another constraint on growth is the capacity of existing sewer lines. During the recent urban boundaries discussions, it was acknowledged that current lines do not allow development to the full potential of the vacant lands indicated within Visalia's Urban Development Boundary. This is primarily due to a number of "bottlenecks" in specific areas, which can be alleviated through the construction of several new portions of sewer trunk line. The City Council recently accepted a proposal by the Engineering Department to construct a number of new sewer lines within the next several years, at a cost of 7.3 million dollars. These

lines would alleviate the current bottlenecks and provide enough line capacity to provide for a full buildout of the Urban Development Boundary area, or approximately 16,000 new dwelling units.

Figure 6 indicates the new lines to be constructed, their locations and costs. Individual developers are responsible for extending sewer laterals to their sites not presently served by existing sewer lines. It is anticipated that the City will eventually recoup the money spent on sewer trunk expansions, through a combination of acreage fees charged on a per unit basis to each developer and user (service) fees. The new lines indicated in Figure 6 are to be completed during the City's fiscal year 1984-85.

### Storm Drainage

Individual developers are expected to install adequate facilities to drain the sites which they are developing. Until recently, storm water was simply piped to the nearest stream or irrigation ditch where it was released immediately during and after the storm. Recently, however, the demands on these streams and ditches have reached the point that they can no longer absorb additional urban runoff on an immediate basis. The private companies which control these streams are no longer permitting immediate discharges into them. This prompted the development of both the Northeast and the Modoc Specific Plans as a means to allow continued development by providing storm water drainage facilities.

The policy in these areas and some other parts of the City is to construct park/ponds in preplanned locations which consists of large, shallow detention basins which are designed to accept storm water drainage and hold it temporarily, until the major portion of the runoff has receded. The detention water is then released into the ditches when they have capacity to absorb it. When not in use as detention ponds, these areas are able to be utilized for public park/recreation facilities. At present, staff is contemplating the need for a master drainage plan for the entire City, rather than just the Northeast and Modoc areas. This would increase the fees for building permits somewhat; however, the alternative is to require onsite detention for every new housing project which would most likely have an even more detrimental effect on the cost of housing.

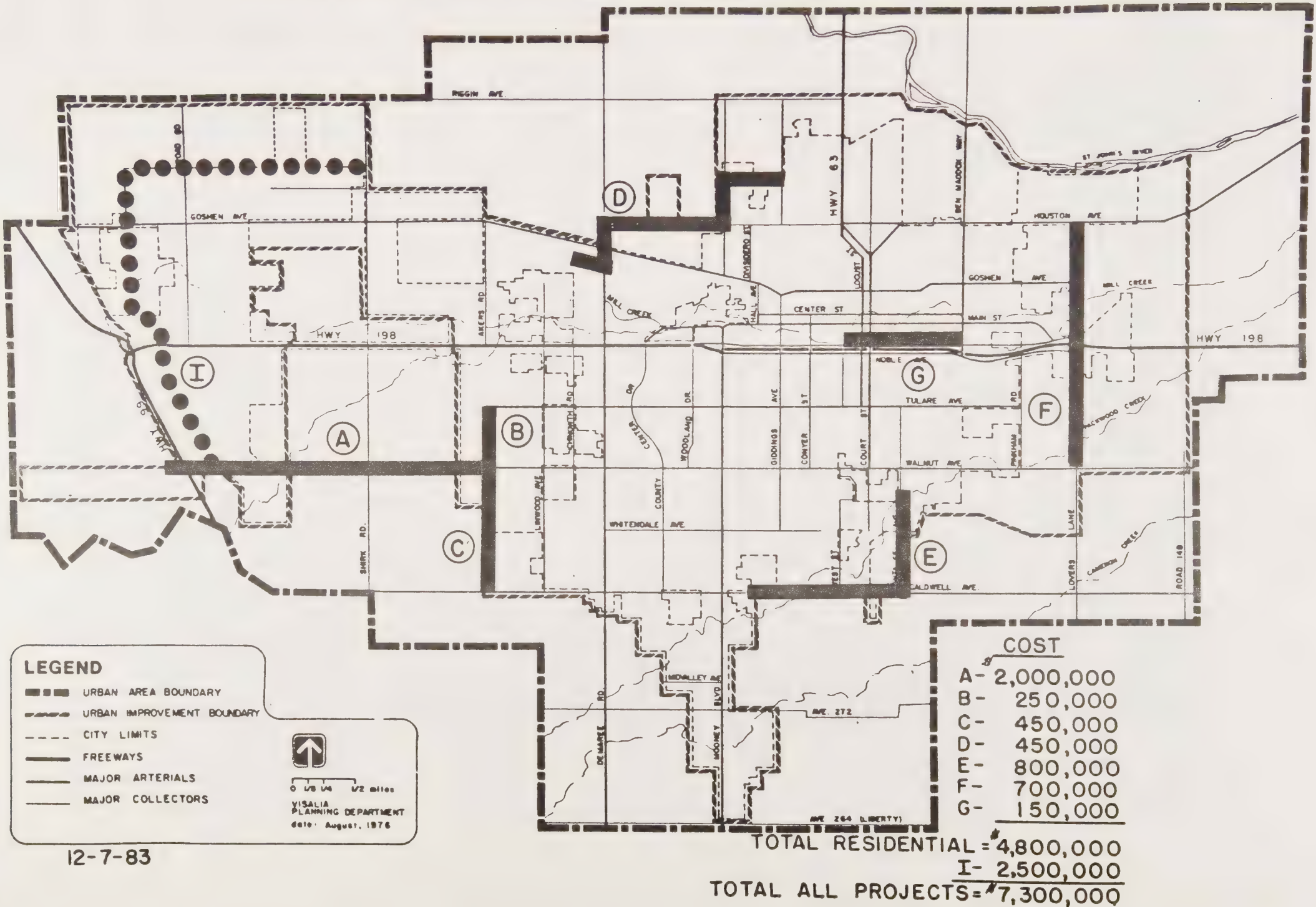
### Parks, Open Space and Recreation Facilities

The current standards for provision of park and recreation space within the City were reviewed in a previous discussion of the Conservation, Open Space and Recreation Element of the General Plan. To reiterate, the total adopted standard for the City is 7.6 acres of park space per 1,000 population, of which 4.0 acres is considered to be the City's



# FIGURE 6

## PROPOSED SANITARY SEWER TRUNK LINE PROJECTS



12-7-83



"share". This share has traditionally been funded through a Quimby Fee of \$100 for multiple family units, \$150 for duplexes and \$200 for single family units. Present policy is to provide most of this in the form of "neighborhood" park facilities, which are two to eight acres in size and are designed to serve the active recreation needs of an entire City "neighborhood", approximately one square mile area. Such facilities are large enough in size to include at least one regulation sized baseball/football field, in addition to passive landscaped areas, picnic areas, childrens' play areas, etc.

There are very few existing "pocket parks" or other small parks which include landscaped passive areas, tot lots, and smaller open areas for small group game play. These areas may be suitable for local "pickup games" of football, frisbee, etc. but do not contain regulation-sized fields. While the neighborhood sized facilities are needed to serve the active, organized recreation demand for these larger areas, the smaller park facilities serve a much more localized demand which has traditionally been assumed to be met by individual, single family lots. However, with the general decrease in lot size to something more closely approaching the minimum 6,000 sq. ft. area, and the proposed smaller lot sizes which would accommodate zero-lot-line and perhaps some attached-type housing, this local recreation need is perhaps no longer being met by private lots. Where "traditional" PRD's are developed, recreation space is included which satisfies at least part of this local need. With the advent of 5,000 sq. ft. or smaller lot sizes, this local recreation need may no longer be met by private lots.

According to National Recreation and Park Association Standards, the service radius for local (sub-neighborhood) recreation facilities should be no greater than 1/4 mile. These facilities are especially beneficial to children who are old enough to require some kind of playground equipment or area for group games, but are not old enough to travel very far to the larger neighborhood parks. Smaller, frequently-occurring open spaces also serve a valuable urban design function as well, by providing relief to the continuation of building masses and streets which can be typical of urban developments. The "neighborhood" parks in theory should be located no more than 1/2 mile from any resident within the neighborhood they serve; in reality however, these parks often are not in the center of a neighborhood and may be up to a mile distant from some of the residents in that neighborhood.

It should be noted that the large facilities can in fact satisfy both the neighborhood-wide and local needs for residents living in close proximity (less than than 1/4 mile). However, only providing the smaller, localized facilities would not satisfy the same demand which the neighborhood-sized parks are needed for, especially organized sports and other activities which require a large area for participation. Conversely, the present policy of providing only the larger facilities does not fulfill the localized open space needs for the majority of residents located more than 1/4 mile from them. Therefore, both kinds of facility are needed; the City should review its open space policies for compatibility with current housing needs.

## Fees

The fee schedule the City charges for various engineering, planning, and building permit fees are given in Appendix C. Generally, sanitary sewer and storm drainage acreage fees, sewer lateral and connection fees, and building permit fees constitute the largest portion of the total charged per building permit. Engineering and Quimby fees are about \$400 - \$450 per unit except in the Northeast Plan area; no acreage, lateral or Quimby fees are paid there, although the additional amenities built into the Northeast standards result in a flat \$1,100 per unit fee.

If master drainage plan fees are instituted in other parts of the City, which may be inevitable, and Quimby fees are increased to a level which is realistic in terms of actually paying for park development, Northeast fees may eventually be less than those in other parts of the City. No fee structure has yet been drawn up for the Modoc area, although this area does not have some of the extra amenities that the Northeast Plan does; the only additional cost anticipated in this area is that of the park/ponds to handle drainage. This cost could be offset by the generally higher densities allowed in this area over previous zoning and densities in other areas of the City in general.

The City Council and Planning Commission, rather than endorse specific proposals without a thorough knowledge of the potential impacts from these, has supported a comprehensive review of the entire City fee structure. The overall goal of this review would be to reduce fees where possible and ensure that allocated fees only cover costs of the services which they are intended to pay for. The Housing Task Force made a number of recommendations regarding City fees; these are to be utilized as guidelines for the fee structure review (see Chapter 3).

## PRIVATE MARKET CONSTRAINTS

The third and greatest constraint on the provision of housing is forces within the private market. Once again, many issues have combined to raise the cost of housing to a critical point. The major factors in this affordability crisis are the cost of the housing itself and the rate and availability of financing.

### New Housing Costs

As cited previously, the median price of housing for sale in the City of Visalia, including both new and existing housing, increased from \$16,900 in 1970 to \$64,000 in 1980, according to the U.S. Census. According to the Visalia Board of Realtors, the average price of a home for sale in 1983 was \$69,725. Rents also increased tremendously, from \$86 per month in 1970 to \$219 per month in 1980; a recent sample of advertised rentals in the local newspaper revealed a median rent of \$450 for single family houses and townhomes and \$275 for apartments. There are several major components to the increase in new housing prices; the rise in existing housing is very much a function of the rising costs of constructing new housing, as well as the general inflation rate and increase in housing demand.

In addition to the often cited regulatory contribution, land cost and financing rates are two of the major components of housing prices.



According to the California Building Industry Association, the cost of the land on which housing is built has increased from roughly 1/5 of the final product cost to 1/3 of the final cost from 1970 to today. The great increase in interest rates in general is thoroughly documented; the cost to a developer of financing housing construction is still double what it was in the 1970's and recently was as high as triple the traditional construction loan rates. Labor is also a very large component of the overall cost picture, as are materials; both of these have increased dramatically with the inflation of the last decade. A final factor is that the product itself has also changed. A typical home of today contains many more "frills" than was the case 20 - 30 years ago; such features as central heating and air conditioning, more appliances, carpeting and other more expensive floor coverings, two car, attached garages, and larger rooms in general are now typical and expected by consumers.

The Housing Task Force stated that in 1980 the least cost, "no frills" house which could be built in Visalia at that time cost about \$41,000. One builder estimates that today that cost would be around \$46,000. This includes two bedrooms, one bath, carport instead of garage, in an attached townhouse-type unit. As the builder stated, the absolute minimum cost for a small house of this type could be somewhat less, but no builder would take the risk of building such a home out of the fear that no one who could afford it would buy it. Thus, today's expectations are also a major part of the high cost of housing.

#### Land Costs

Various local builders and developers estimate that new land prices typically range from \$20,000 - \$30,000 per acre, depending on location. This includes all of the areas inside the Urban Development Boundary designated for residential development by the General Plan. In order to prevent the Urban Development Boundary from becoming a factor in the price of land, it is City policy to maintain a "flexibility factor" of 30% additional land area within the UDB, over and above the projected growth for the planning period. The Housing Task Force identified the Urban Development Boundary as a potential constraint, noting that there is no direct evidence linking City urban development policies with increases in the price of land. The Task Force recommended a bi-annual review of the UDB and its impact on the price and availability of land.

#### Financing Availability

The impact of financing on affordability has justifiably been the focus of much of the publicity and discussion regarding the current housing crisis. Once again, interest rates are climbing, with the current fixed-rate, market level mortgage (unsubsidized) at 14.5%. In order to make financing more attractive, Visalia lenders are offering a number of graduated payment or variable-rate mortgage instruments. These efforts have paralleled those of the financial industry elsewhere. In general, financing is available in Visalia, if one can afford it.

#### Rental Housing

The major, fundamental difference between ownership and rental housing markets lies in the fact that the rental market is constructed primarily



as an investment, for which an economic gain must be realized by persons remote from those who actually live within these dwellings. Whereas the occupants of ownership housing have a number of vested interests which mitigate the need for obtaining a monetary gain from owning such housing, investors in rental housing must be able to realize a real and substantial gain on their investments. As with any investment vehicle, if the real return is less than that which can be realized through other investments, an individual will not invest his or her money in such a project.

Although the value of rental housing has increased over the last decade, the rate of increase has lagged well behind that of ownership housing. The increase in income realized from rent has also fallen below the increase in operating costs over the past decade. According to the California Building Industry Association, average operating costs for rental projects increased 141% in the last decade, while average rental income increased by 87%. In 1970, operating costs were about 50% of rental revenue; in 1980, operating costs were nearly 2/3 of rental revenue, according to the Department of Housing and Urban Development. Therefore, both the real rate of return on rental properties and the actual appraised value of rental properties fell in relation to inflation and other investment vehicles between 1970 and 1980.

Two other major factors also affected the attractiveness of rental property investments during the past decade. These were more restrictive local government actions and financing terms which increased at an even higher rate than those for ownership housing. Local governmental actions detrimental to rental housing can be summed up in three examples: 1) restrictive land use policies which allocate too little land for multiple family residential development; 2) rent controls which decrease the real value of property when owners are unable to raise rents in proportion to rising costs; and 3) restrictions on condominium conversions, which reduces the potential for rental investments to return a capital gain at the time of resale.

Figure 6 illustrates the historic rates of mortgage interest from January 1981 to April 1983 for single family and apartment financing. Typically, rental investors are faced with terms as high as two percentage points higher than that for ownership housing, which further aggravates the problem of high interest rates in general.

The following table compares the annual debt service for a \$1 million apartment loan at varying interest rates, between 12% and 16%. Each half point increase in the interest rate increases the annual debt service by almost \$4,750. Assuming that the \$1 million loan finances 25 rental units, at \$40,000 per unit, the debt service increase from each half point of interest rate raises the per unit debt service by about \$16 per month. The result is either higher rents to the consumer, or, where rent control ordinances prohibit adjusting rents to cover these costs or the local market for rental housing cannot absorb such rate increases, new rental housing will not be built at all. This is exactly what has happened on a nationwide basis since the late 1970's; these uncertainties have made rental housing somewhat unattractive, compared to other available investment vehicles.

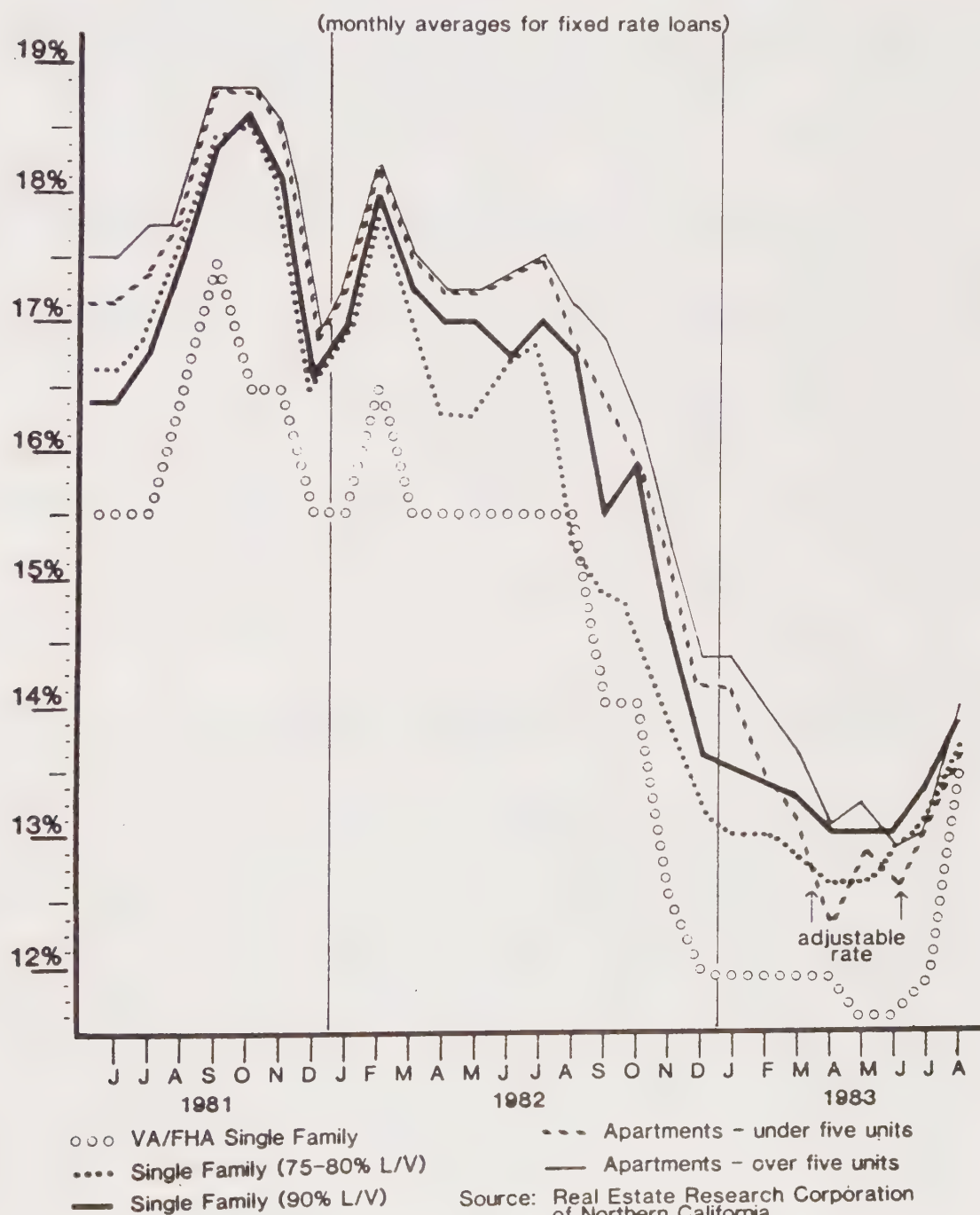
THE EFFECT OF INTEREST RATE  
CHANGES ON RENTAL PROPERTY  
DEBT SERVICE

<u>Interest Rate</u>	<u>Annual Debt Service (\$1,000,000 loan)</u>	<u>Change</u>
12.0%	\$123,433.56	
12.5%	128,070.96	+ 4,637.40
13.0%	132,744.00	+ 4,673.04
13.5%	137,494.56	+ 4,605.56
14.0%	142,184.64	+ 4,735.08
14.5%	146,956.72	+ 4,762.08
15.0%	151,733.40	+ 4,786.68
15.5%	156,542.04	+ 4,808.64
16.0%	161,370.84	+ 4,828.80

Source: California Building Industry Association

# FIGURE 7

## MORTGAGE INTEREST RATES IN NORTHERN CALIFORNIA





In summing up the prospects for new rental housing construction over the next decade, the California Building Industry Association states the following:

What it will take to make rental property a more attractive investment in the 1980's, and to stimulate new rental housing production is, above all, a drop in interest rates for construction finance, new financing arrangements which concentrate less of the risk on developers, and concerted local action to loosen restrictive land use policies which discourage new housing production.

#### Recommendations for Alleviating Market Constraints

The California Building Industry Association predicts that the following changes in the housing market may take place if the trend of high prices relative to income continues in the foreseeable future:

1. A greater incidence of home rehabilitation and expansion;
2. Increasing pressure to divide existing homes into smaller, more affordable units (such as the creation of secondary units or accessory apartments);
3. Increase in the incidence of shared housing arrangements;
4. Emergence of new creative financing techniques;
5. A greater incidence of rented single family homes;
6. Greater demand for multiple family homeownership opportunities (apartment condominiums, higher density townhomes, etc.);
7. Increased demand for rental units of all types;
8. Involvement of other industries in developing housing for the benefit of their employees; and
9. Increased pressure to condition housing development approvals with the inclusion of some percentage of low and moderate income units.

The City of Visalia has already undertaken some significant steps. The City was instrumental in securing a commitment of a large pool of Section 235 housing financing for approximately 240 low income ownership units in the City this past year. The City has also begun planning and coordination with the Leisure Services Department, the Senior Volunteer Program and other related agencies to master plan a two block area south of the Town Meadows project for development of more elderly housing and expand other senior services. The City is currently in the process of applying for some \$42 million worth of mortgage revenue bonds for low interest home financing through the California Housing Finance Agency. The City has assisted in the foundation of VIAH, Inc. which has developed the Twin Oaks project. The City is coordinating with VIAH to work on a land banking program which may include some City-owned parcels.

## Energy Conservation

Although the initial cost of energy conservation items and techniques such as additional insulation, dual glazed windows, etc. adds to the cost of a new home, these energy-saving devices can reduce the cost of housing-related payments by saving on utility bills. An energy-efficient home would also, in theory, have a higher future resale value than a non-efficient home. Toward this end, the State of California has recently instituted regulations which require local jurisdictions to enforce energy-efficient building standards through the local building code. These requirements include increased insulation standards, dual-glazed windows, energy-efficient fireplaces, and "tighter" caulking and weather stripping. Local builders estimate that the total of these requirements increase the price of a new home by about \$1,000. However, nationwide, the Federal Home Loan Mortgage Corporation will allow lenders from which it purchases mortgages to increase the ratio of mortgage payments to income to compensate for the reduced monthly utility bill for such energy-saving measures.

Locally, the City sponsors, with the cooperation of the local Board of Realtors, an energy rating program which provides a free energy inspection for homeowners who desire it. The home is then rated according to its degree of efficiency. The homeowner is also given a list of items which can be added to the home to increase its efficiency to a higher rating. The homeowner may then request another audit and rating after installation of one or more of these devices. The City and Board of Realtors issue a certificate to the homeowner certifying the latest rating which the home has received. When the homeowner puts his or her house on the market, the realtors will then advertise this rating as a desirable feature of the home and ensure that its energy saving qualities are reflected in its market price.

The City's Redevelopment Agency also uses Community Development Block Grant funds to assist in the purchase of energy saving devices, in conjunction with rebates from local utility companies, for low income homeowners and renters.

In addition to these programs aimed directly at individual housing units, the City's General Plan and land use policies also will result in substantial communitywide energy savings. Prior to 1976, the overall pattern of growth in Visalia was generally linear, rather than circular or concentric. The general direction of growth was proceeding to the south and southwest, along Mooney Blvd., with the older sections of the City and the central core areas becoming located increasingly further away from the major areas of new residential growth. The 1976 General Plan reversed this trend, by halting growth south of Caldwell Avenue and Packwood Creek, and redirecting growth to undeveloped areas to the north and northeast of the central portions of the City. This was done to accomplish the following purposes:

1. To redirect the pattern of new development in a concentric fashion, with the central core area located once again in the geographic center of the City.
2. To direct residential growth away from the Visalia Municipal Airport to the west of the City, south of Highway 198.



3. To use the high traffic capacity of Highway 198 as the major traffic carrier of the City.
4. To better utilize other existing major arterials and collector streets.
5. To direct more residential growth to the north of Highway 198, in order to provide shorter commuting trips to the major industrial areas of the City.

The central core area and the vast majority of the heavy commercial, industrial and office zoning in the City are located north of Highway 198. Thus, the redirection of growth toward these areas to the north, should eventually reverse the trend of longer commuting trips from residential areas to work places.

On the other hand, there are some General Plan policies and zoning provisions which tend to inhibit the level of communitywide energy conservation which might otherwise be achieved. For example, the zoning ordinance encourages conservation by allowing limited business activities to be carried on within the home in a residential area as a "home occupation". The general policy is that these are to be service-oriented endeavors which do not involve retail trade or other activities which bring additional people into the residential neighborhood for the purpose of carrying on that business. No signs are allowed to indicate that the business is operating, and no employees other than persons residing on the premises are allowed to carry on the business. However, some communities, such as Davis, allow small business operations to take place as home occupations, which may include small numbers of employees, a small sign, etc. These provisions would allow for a more widespread opportunity for home occupations, thereby enabling a larger communitywide energy savings.

The Visalia ordinance does not allow any residential uses within the PA (office) zone; this precludes professionals such as lawyers, doctors, etc. from residing on the premises in which they carry on their businesses, even in those cases where the business is operated in a converted residential structure. With the advent of increased energy cost, and the trend toward more computerized and decentralized work opportunities, there is an increased desire to live and work on the same premises. Greater disbursal of neighborhood-oriented commercial and service establishments might also result in energy savings through fewer and shorter vehicle trips for convenience shopping and services. Such measures might also assist in making housing more affordable; rental units could be less expensive in structures where office or commercial uses carry most of the "weight" of making the property a profitable investment. This might also enable self-employed persons to combine the costs of both housing and workplace in one rent or mortgage payment.

#### Neighborhood Revitalization and Rehabilitation of Existing Housing

Prior to the last decade, over 90% of all of the additions to the nation's housing stock came from new construction. In the 1970's, rehabilitation of existing, substandard housing became recognized as a much cheaper and more efficient use of funds to provide for the housing needs of low and moderate income households than new construction.



Rehabilitation can very often be a method of providing safe, sanitary and decent housing which can be afforded at market rates, or with very little public subsidy when compared to new construction. The concept of "adaptive reuse" - the conversion of schools, warehouses, and other buildings previously utilized for different uses into new apartments and condominiums - also became recognized as an efficient way to provide new housing opportunities. A recent study by the Department of Housing and Urban Development has documented the specific impacts of conservation and more intensive use of existing building stock on the country's overall housing supply. The findings indicate that these sources of housing contribute far more than was formally supposed, even by rehabilitation advocates. The following facts were uncovered by this study:

1. A full 28% of all units added to the housing stock of this country between 1973 and 1980 has come from conversions; that is, adaptive reuse, housing rehabilitation, and the division of larger homes into smaller apartments or condominiums. This process resulted in the addition of nearly five million housing units to the country's stock during this time period.
2. The impact on the country's multi-family stock, especially rentals, is particularly significant. Most conversions result in multi-family rather than single family units; from 1973 to 1980, these accounted for an average of 670,000 additional units per year. During the same time, new multi-family construction averaged 520,000 units per year. This suggests that adaptive reuse and conversions represent powerful tools for providing multi-family housing; these may in fact produce even greater results than rezoning large amounts of property for multi-family construction.
3. Rehabilitation of historic properties pursuant to tax incentives first passed into law in 1976, have "created" an additional 21,800 housing units. In addition, 6,700 existing units have been renovated. Of these 28,500 new or improved units, approximately 40% were designated for occupancy by low and moderate income families.
4. Some 31% of this nation's entire housing stock, or about 26.7 million units, consists of structures built before 1940. These structures house approximately 24 million households.
5. Expenditures on existing housing stock, versus new housing stock, accounted for only 20% of the nation's entire housing expenditures in 1960. This rose to 33% in 1970 and 42% by 1980. According to the National Association of Realtors, some \$46.4 billion was spent on home improvements during 1981, as compared to the total value of new housing construction at \$50 billion. It should be recalled that one of the predictions of the California Building Industry Association is that the demand for renovations and rehabilitation of existing units will further increase during the 1980s.

Rehabilitation also represents a significant source of economic development and employment, as does new housing construction. However, rehabilitation's greatest potential for providing employment is precisely the times when new construction employment is down; that is, during recessions when housing production is in decline. It is during

these periods of low economic activity, high interest rates, etc. that people conserve, renovate, and expand their existing homes rather than seeking new homes. Therefore, employment opportunities from rehabilitation are counter-cyclical to those in the new construction industry. The implication is that a significant investment in housing rehabilitation might do much to offset the cyclical and unpredictable nature of the housing construction industry in general. This may become even more important in the future, as the production cycles of the past decade have become more extreme each time around.

If rehabilitation represents such a significant source of cheap new housing, then why are neighborhoods in every urban area continuing to decline? Obviously, there are many neighborhoods where incomes, employment, ownership incidence, and other critical factors are so low that predominantly private market rehabilitation or reinvestment initiatives will simply not succeed. On the other hand, there are many neighborhoods which are perceived to be in decline, but which still retain high levels of basically sound housing stock, and relatively high rates of employment, homeownership, and longevity in the community. It is precisely these neighborhoods, in which reinvestment and rehabilitation efforts have the greatest chances of success, that both public and private resources need to be concentrated.

During the past decade, financial institutions around the country have instituted programs which promote conservation and rehabilitation in existing neighborhoods. These include, among others, the Bank of America's City Improvement and Restoration Program, where the bank finances through loans or bond purchases the purchase of older homes, the redevelopment of vacant property, and rehabilitation of commercial buildings. In addition, various governmental programs have been combined with private sector lending institutions with varying degrees of success. The Community Development Block Grant Program was begun in 1974, and is specifically intended to address the revitalization of neighborhoods which are declining but have not yet become irretrievably blighted.

Perhaps the best example of a combining of public and private resources is a successful nationwide program known as Neighborhood Housing Services (NHS). This program was developed and is supervised by the Urban Reinvestment Task Force, a partnership of the Federal Home Loan Bank Board and the Department of Housing and Urban Development. The NHS approach necessitates a commitment from residents of neighborhoods, city governments, and the local lending community. These actors form a partnership in a non-profit neighborhood development corporation. This is a neighborhood-based program, with the majority of the corporate board members required to be residents in the neighborhood. The local lending community must also be represented on the Board. The corporation does not operate citywide; rather, it focuses solely on the target neighborhood in which its Board members reside.

This program's distinguishing features are that it is a local program, operated by neighborhood residents; it is non-governmental and non-bureaucratic; it is a self help effort and is not a "giveaway"; and it targets specific neighborhoods. The role of the financial institution in this program is to make conventional loans in the neighborhood to persons who would normally be considered credit worthy

if they resided elsewhere; to underwrite the operating budget of the corporation staff; to serve on the NHS Board of Directors and loan committee; and to help assemble a revolving loan fund for higher risk loans. Other private sources within the community could also be utilized, such as monies from corporate foundations or other, more traditional charitable organizations.

In California, a statewide NHS program has been established through a consortium of California financial institutions which provides 75% of the operating costs for local programs. There are currently 11 California cities with an NHS program in operation. The Urban Reinvestment Task Force has retained its federal funding for its training and administrative functions throughout the Reagan Administration years. Appendix F contains a detailed program summary from the California State office.





# **CHAPTER THREE**





## CHAPTER III

### GOALS, OBJECTIVES, AND POLICIES

This chapter sets forth the goals, objectives, policies, and programs which the City will undertake over the next six years in an effort to meet its identified housing needs. Specifically, it contains the goal of meeting the needs of all households within the City and the objectives of reducing government constraints, providing assistance in the construction of new housing, and continuing to assist in the effort to rehabilitate housing and conserve existing housing within established neighborhoods. A number of specific policies and programs are also listed which will constitute the City's effort towards housing from 1984-1990.

#### Overall Policy on Housing

As a demonstration of its commitment to the implementation of the policies and programs outlined below, the City of Visalia adopts the following policy:

In recognition of the need for housing within the Visalia community which is affordable, physically sound and meets the needs of special households within the Community, it shall be the policy of the City of Visalia to:

1. Actively recognize housing as a priority community need.
2. Commit to provide staff on a full-time basis to develop and implement specific policies and programs which will ensure the development of adequate housing for low and moderate income and other hard-to-house groups.
3. Facilitate the establishment of a community housing advisory board representative of a broad cross-section of groups which are mutually responsible for the provision of affordable housing in Visalia. This group would be responsible for monitoring low-income housing activities, provide a public forum to review housing issues, act as advocates for the accomplishment of City housing policies and goals and oversee and facilitate implementation of the Housing Element. This board shall also be responsible for assessing the need for and the role of an on-going board.

The City further recognizes the report of the Visalia Housing Task Force as a valuable guide for the development of specific ordinances, regulations and programs which will implement this document. The Task Force report and recommendations are incorporated as part of this document and are found in Appendix H.

#### GOAL:

The City shall undertake all appropriate actions to facilitate the provision of adequate housing for all economic segments of the

community. At a minimum, the City will attempt to meet the specific existing and projected housing needs identified in Chapter I and will attempt to insure that the specified number of new housing units for each economic segment of the community which was identified, will be provided. The City will also strive to provide appropriate housing assistance to all existing households identified as being in need of such assistance at the present time and those expected to be in need of such assistance, to the extent they can be identified, by 1990.

#### Objective 1:

The City will, to the extent such actions are compatible with the City's mission statement of providing a "clean, safe, well-managed, financially sound, and environmentally pleasant City in which to live", remove any constraints which the City's development policies and ordinances may place on housing providers, with the exception of those restrictions necessary to protect the public's health, safety, and welfare.

Policy 1.1: The City will undertake a comprehensive review of all development policies affecting housing, including the General Plan (Land Use and Circulation, Open Space and Recreation, and Historic Preservation Elements), specific plans (Northeast, Modoc), infrastructure and improvement requirements, and fees. These policies will be revised to eliminate as many governmental constraints as possible. It shall be the City's policy to undertake this review periodically, on an ongoing basis. The recommendations of the Housing Task Force shall serve as guidelines for these revisions.

#### Programs

- A. Conduct a review of all land use and zoning policies with particular attention paid to the following:
  - 1. Wherever feasible, substitute administrative review of development proposals for Planning Commission and City Council discretionary review processes.
  - 2. Increase the density of the basic single family zone within the City to a more appropriate level.
  - 3. Ensure that an adequate supply of land zoned for multi-family development and manufactured housing (including mobile home parks) exists.

Program Initiator: City

Responsible Departments: All affected City Departments.

Time Frame: Immediate, with all revisions to be completed within one year of adoption of this Element.

- B. Undertake a comprehensive review of City infrastructure policies and improvement standards required of developers, including subdivision improvements, open space requirements, PRD policies, sewer extensions, etc.

Program Initiator: City

Responsible Departments: All affected City Departments.

Time Frame: Same as Program A.

- C. Undertake a comprehensive review of all development policies and standards of the Northeast Plan, including amenities, improvement standards, fee structure, and sewer allocation policies.

Program Initiator: City

Responsible Departments: Community Development (Planning Division), Engineering

Time Frame: Same as above.

- D. Review all City development fees, including impact fees, acreage charges, Quimby fees, etc.; particular attention will be paid to the fee structure within infill areas.

Program Initiator: City

Responsible Departments: Community Development (Planning, Building Divisions), Engineering

Time Frame: Same as above programs.

- E. Undertake a comprehensive revision of the subdivision ordinance with regard to residential development standards.

Program Initiator: City

Responsible Departments: Community Development (all divisions), Engineering, Administration

Time Frame: Same as above programs.

Policy 1.2: The City shall facilitate and assist in the development of potential infill and redevelopment sites.

#### Programs

- A. Initiate an ongoing infill/redevelopment site identification project which will identify, in order of priority, larger undeveloped areas which have infill potential; smaller undeveloped parcels; underutilized, existing lots with potential for resubdivision; and previously developed vacant lots in existing subdivisions with all utilities available. Areas with redevelopment potential include areas of blighted residential uses, underutilized or vacant commercial/industrial areas, and potential high density housing sites in and near the downtown core.

Program Initiator: City



Responsible Departments: Community Development (Planning, Redevelopment Divisions), with assistance from the development and real estate community.

Time Frame: Immediate, to be completed within six months of the adoption of this Element.

- B. Consult with the development and real estate community to ascertain appropriate zoning densities for infill and redevelopment sites identified under Program A. This program will involve a number of discussions between City staff and the private sector in order to balance public and community concerns with private market needs; the objective is to identify optimum development densities for these sites.

Program Initiator: City, private sector.

Responsible Departments: Community Development (Planning, Redevelopment, Economic Development), representatives from development and real estate communities.

Time Frame: Concurrent with the infill site identification project.

- C. In conjunction with the identification of potential infill and redevelopment sites, initiate a comprehensive neighborhood planning effort involving both the City and individual neighborhood residents and organizations. In addition to determining appropriate infill sites and densities, this planning effort should seek to identify the need for and feasibility of various rehabilitation programs, public housing programs, other housing assistance, commercial revitalization, and general social and physical needs of neighborhood residents.

Program Initiator: City, community organizations and advisory councils, other private citizens.

Responsible Departments: Community Development (Planning, Redevelopment), neighborhood representatives and community advisory councils.

Time Frame: Immediate and ongoing, with highest priority given to neighborhoods with large proportions of low and moderate income residents.

- D. Initiate appropriate regulatory actions, including zoning, General Plan amendments, etc., as infill and redevelopment sites are identified and neighborhood planning efforts proceed.

Program Initiator: City

Responsible Department: Community Development (Planning, Redevelopment Divisions)

Time Frame: Immediate and ongoing.

Policy 1.3: It shall be the policy of the City to ensure that the capacity of its wastewater treatment plant and major sewer trunk lines will remain at an adequate level to support continued residential development. The capacity of the treatment plant and collection system will not be allowed to diminish to the point where it becomes a constraint on the production of housing.

Objective 2:

Facilitate and directly assist the various housing providers to meet the projected need for new housing and that portion of the existing needs of all economic segments of the community which can be met through the provision of new housing, as identified in Chapter I. This involves the construction of some 7,079 new dwelling units over the next six years, including 1,608 units for very low income households; 1,482 units for low income households; and 1,301 units for moderate income households.

Policy 2.1: The City shall actively research and apply for all available federal and state funding programs for financing and constructing low and moderate income housing.

Programs

- A. Initiate a mortgage revenue bond program and apply for a continuing allocation of bonding power for this purpose through state agencies. The City is presently in the process of making its first application to the state for an allocation of bonding power for this purpose. The City will continue to pursue a maximum allocation on a yearly basis for as long as this program exists. The City will apply for multiple family revenue bonds, as well as single family bonds, in order to help reduce the cost of new rental housing stock.

Program Initiator: City, private sector

Responsible Departments: Community Development (Redevelopment Division), private developers.

Time Frame: Immediate and ongoing.

- B. The City will continue to apply for maximum annual funding from the Community Development Block Grant program for a variety of housing and neighborhood revitalization programs administered by the Redevelopment Agency. These programs include substandard housing rehabilitation, relocation of persons displaced due to demolition of substandard dwelling units, redevelopment activities and other forms of low income housing assistance.

Program Initiator: City

Responsible Department: Community Development (Redevelopment Division)

Time Frame: Immediate and ongoing.

- C. The City shall on an annual basis, continue to apply for various available housing assistance programs through both the State and Federal governments, including the HUD "235" low income ownership program, various California Housing Finance Agency programs, Farmers Home Administration programs, Urban Development Action Grants, etc. All of these programs will be utilized to meet both existing and projected new housing needs for low and moderate income households.

Program Initiator: City

Responsible Departments: Community Development (Redevelopment Agency)

Time Frame: Immediate and ongoing.

Policy 2.2: Coordinate with VIAH, Tulare County Housing Authority, and the private sector to assist and facilitate construction and financing of low and moderate income housing.

#### Programs

- A. As a part of the zoning ordinance revisions to be undertaken, initiate a provision for awarding up to 50% density bonuses for developments which include at least 25% low and moderate income housing. Guidelines to be included for determining the exact amount of bonus should include opportunities for particularly innovative forms of housing, shared housing arrangements, housing with special provisions for handicapped individuals, large family housing, and other concepts which help meet the housing need of the particular groups identified in Chapter 1. Along with the quantity of such housing types, quality should also be a consideration.

Program Initiator: City

Responsible Departments: Community Development (Planning, Redevelopment)

Time Frame: To be instituted as a part of the zoning ordinance revisions scheduled for completion within one year of the adoption of this Element.

- B. Initiate an infill/redevelopment incentives program in order to better utilize existing resources, revitalize lower income neighborhoods, and provide private market housing which is more readily affordable to low and moderate income persons. The program would consist of utilizing a combination of techniques, in conjunction with the private sector. These might include, among others, land assembly by the City and sale or lease back to developers; density bonuses as described above; resubdivision of underutilized lots; allowing higher density development on lots which are served by both public streets and alleys; appropriate rezoning; and specification of infill sites as "targets" for special mortgage bonds and construction finance money. This program would be closely coordinated with



the previously described infill and neighborhood planning programs.

Program Initiator: City, development community

Responsible Departments: Community Development (Planning, Redevelopment, Economic Development), City Real Estate Department, private sector real estate and development community.

Time Frame: Immediate and ongoing, as potential sites are identified through previously described programs.

- C. Initiate a land banking program in order to enter into joint ventures with VIAH, Tulare County Housing Authority, and other private housing providers for provision of low and moderate income housing. This program should begin with an inventory of existing City-owned properties, and could also include the purchase of additional properties for sale or lease back to appropriate agencies or developers for low and moderate income housing projects. This program might also include making loans to agencies or individuals to purchase land at a lower cost, conditioned on provision of some proportion of low and moderate income housing units.

Program Initiator: City

Responsible Departments: Community Development (Planning, Redevelopment), City Real Estate Department, private sector.

Time Frame: Immediate and ongoing.

- D. Initiate a construction loan program whereby the City will utilize some of its reserve funds for construction loans to selected developers of low and moderate income housing, including VIAH and other private developers whom the City considers credit worthy. The City will retain its normal rate of return on these loans, which will still be well below market rates for normal construction loans. This should significantly lower the cost of both rental and ownership housing, and should be utilized in conjunction with other programs whenever possible for the greatest impact on housing costs.

Program Initiator: City, private sector

Responsible Departments: Community Development (Redevelopment, Economic Development), Finance, Housing Authority, VIAH, private developers.

Time Frame: Immediate and ongoing.

### Objective 3:

The City will continue to promote and facilitate programs and concepts which provide for neighborhood conservation, rehabilitation, and revitalization, particularly programs and efforts which involve private

sector funding sources and participation. Specifically, it is the City's objective to conserve 1,200 existing housing units within the Historic District and the CDBG rehabilitation Target Areas. Further, the City will attempt to rehabilitate 250 additional housing units within the Target Areas.

Policy 3.1: When taking action on zoning changes and General Plan amendments which convert housing to other uses, the Planning Commission and City Council will consider the impact of the proposed action on the availability of affordable housing within the community.

Policy 3.2: The City will encourage the conservation of existing homes in the Historic Preservation District and elsewhere within the City.

#### Programs

- A. Continue to enforce the Historic Preservation Ordinance, which encourages rehabilitation and restoration of older structures and limits demolition activities in the Historic District.

Program Initiator: City

Responsible Departments: Community Development (Planning Division), Historic Preservation Advisory Board.

Time Frame: Immediate and ongoing.

- B. Initiate a revolving loan program for rehabilitation within the Historic District.

Program Initiator: City

Responsible Departments: Community Development (Planning, Redevelopment Divisions), Historic Preservation Advisory Board.

Time Frame: To be operational within one year.

- C. Evaluate areas where existing residential uses are zoned for commercial uses; rezone to residential where appropriate.

Program Initiator: City

Responsible Departments: Community Development (Planning Division)

Time Frame: Concurrent with Neighborhood Planning Program and Zoning Ordinance Revisions

Policy 3.3: The City will encourage the inclusion of affordable housing with other uses, where appropriate.

### Programs

- A. Revise zoning ordinance to allow housing in all office and commercial zones.

Program Initiator: City

Responsible Departments: Community Development (Planning Division)

Time Frame: Concurrent with Zoning Ordinance review.

- B. Review the Home Occupation Ordinance, to ensure that all appropriate small business activities, which are not detrimental to the neighborhood, are allowed to operate from the home.

Program Initiator: City

Responsible Department: Community Development

Time Frame: Concurrent with Zoning Ordinance Review

Policy 3.4: The City will continue to offer direct assistance through rehabilitation programs administered by the City's Redevelopment Agency and will undertake actions to enhance the effectiveness of these programs wherever possible.

### Programs

- A. The Redevelopment Agency will continue to administer current rehabilitation programs and develop new programs as community needs change.

Program Initiator: City

Responsible Departments: Community Development (Redevelopment Agency), others as appropriate.

Time Frame: Immediate and ongoing.

- B. The City will investigate new mechanisms for utilizing its Community Development Block Grant and other housing funds which maximize the number of households which can be assisted, especially leveraging programs which utilize private lenders' funds "written down" by City funds to a level affordable by low and moderate income homeowners. This technique multiplies the number of rehabilitation loans which can be issued using a given amount of public funds.

Program Initiator: City, lending institutions

Responsible Departments: Community Development (Redevelopment, Economic Development), Finance Department, local lending institutions.



Time Frame: Immediate and ongoing.

- C. A building inspection and rental maintenance program will be initiated whereby a rehabilitation specialist employed by the City, will provide low income homeowners a free inspection and assessment of potential improvements and costs. In addition, the Redevelopment Agency will work with the Building Division in order to step up enforcement of building maintenance requirements for rental dwellings.

Program Initiator: City

Responsible Departments: Community Development (Redevelopment, Building Divisions)

Time Frame: Immediate and ongoing.

- D. Initiate a concentrated, stepped up demolition program under which red-tagged and severely deteriorated structures within targeted neighborhoods will be demolished by the City. These sites can then be utilized to provide new, replacement housing for low and moderate income residents. Even if these parcels remain vacant for some time, the blighting effect on the neighborhood of the deteriorated structures will have been removed.

Program Initiator: City

Responsible Departments: Community Development (Redevelopment, Building Divisions)

Time Frame: Immediate and ongoing.

- E. Initiate a comprehensive neighborhood planning program to be utilized in conjunction with the identification and development programs for infill and redevelopment sites. This effort is to be concentrated in low income neighborhoods as first priority, and is to include analysis of appropriate land use, economic climate for rehabilitation, public facilities and infrastructure requirements, recreation and social needs, and commercial revitalization potential.

Program Initiator: City

Responsible Departments: Community Development (Planning, Redevelopment Divisions)

Time Frame: Immediate and ongoing; to be coordinated with ordinance revisions and identification program for infill and redevelopment sites.

- F. The City will investigate an equity sharing program which is conceptually similar to that recommended by the Housing Task Force. Under this program, City funds may be used to facilitate the "participation" of private investors with low and moderate income households in purchasing new or existing

housing units. This participation would be in the form of a contribution of funds towards the down payment on a home. (Oftentimes, low and moderate income households may qualify for the monthly payments but be unable to put together the down payment necessary.) This program would be concentrated or targeted in neighborhood revitalization areas (those starting a neighborhood revitalization corporation or CDBG target areas). This program would, in addition to meeting the housing needs of existing households, also help stabilize and revitalize the targeted neighborhoods by increasing the proportion of owner-occupants residing in these neighborhoods. In establishing this program, the City should coordinate with private lending institutions, the real estate community, and the Housing Authority. A study group should be appointed by the City Council and Planning Commission to explore the feasibility of establishing this program.

Program Initiator: City, Housing Authority, real estate community.

Responsible Departments: Community Development (Planning, Redevelopment Divisions), Finance, City Real Estate Department, real estate community, Housing Authority, study group.

Time Frame: Immediate; program specifics should be forwarded to the City Council within six months of the adoption of this Element; the program should be initiated under this year's work program.

Policy 3.5: The City will investigate the establishment of new, non-profit neighborhood-based development corporations for the purpose of concentrating revitalization efforts on individual neighborhoods.

#### Programs

- A. Investigate a City-sponsored, neighborhood-based, non-profit corporation for neighborhood revitalization. Once established, such a corporation could initially be supported in part by City funds for staffing or the "loan" of City staff to the corporation for initial activities, until a permanent staff can be hired. Inquiries and applications will be directed to the National Housing Services Program, and other recognized institutions which sponsor neighborhood-based revitalization corporations.

Program Initiator: City

Responsible Departments: Community Development (Redevelopment, Planning Divisions), various neighborhood organizations, citizen advisory committees.

Time Frame: Immediate and ongoing.

- B. Initiate contact with neighborhood groups, advisory committees, housing advocacy organizations, etc. to establish interest in

and support for the proposed neighborhood revitalization corporation.

Program Initiator: City

Responsible Departments: Community Development (Redevelopment, Planning Divisions)

Time Frame: Immediate and ongoing; level of interest in the community should be ascertained within two to three months after adoption of this Element.

Policy 3.6: Actively seek to involve the financial community, charitable organizations and other private sector individuals in the neighborhood revitalization effort.

#### Programs

- A. Establish a pool of money for rehabilitation loans in target neighborhoods established with funding from local lending institutions. By involving a number of lenders in the pool, loans can be made to low and moderate income residents who otherwise would not qualify; this is accomplished by spreading the risk among many different sources, instead of one lender being at risk for the entire amount.

Program Initiator: City, private lending institutions

Responsible Departments: Community Development (Redevelopment, Planning), Finance, local lending institutions.

Time Frame: Program should be operational within one year.

- B. Initiate a program whereby corporate foundations and non-profit charitable organizations within the region contribute to the provision of housing opportunities. Under this program, money can be donated to a high risk loan pool, loaned directly to low and moderate income recipients through the foundations themselves, or used to fund ongoing operating costs for the Redevelopment Agency, VIAH or the Neighborhood Redevelopment Corporation.

Program Initiator: City, charitable organizations, foundations.

Responsible Departments: Community Development (Redevelopment, Planning Divisions), local corporate foundations, charitable organizations.

Time Frame: Immediate and ongoing.

Objective 4: Ensure that equal opportunity for obtaining decent and affordable housing exists for all residents of Visalia, regardless of age, sex, race, marital status, ethnic background or other arbitrary factors.



Policy: The City will utilize its resources to provide Visalia residents with an easily accessible means of reporting discrimination complaints to the appropriate State and Federal agencies.

Programs

Initiate a "hot line" to report housing complaints by listing a Redevelopment Agency number in the local telephone directory for this purpose. Redevelopment Agency staff will assist callers in contacting appropriate agencies. Educational materials describing basic housing rights and explaining the "hot line" concept will be developed and distributed.

Program Initiator: City

Responsible Department: Community Development (Redevelopment Agency)

Time Frame: Immediate and ongoing.



# APPENDIX





APPENDIX A

1980 CENSUS DATA





--- POPULATION ---

Visalia City

						MEDIAN AGE	
TOTAL	49729	MALE	23927	27.6			
INSIDE URBANIZED AREAS	49729	FEMALE	25802	29.6			
RURAL		TOTAL		28.7			
		TOTAL	MALE	FEMALE	RACE	SPANISH ORIGIN	
UNDER 1 YEAR	970	512	458	WHITE	41194	NOT OF SPANISH ORIGIN	40191
1 AND 2 YEARS	1785	921	864	BLACK	591	MEXICAN	8661
3 AND 4 YEARS	1613	798	815	AMERICAN INDIAN	432	PUERTO RICAN	75
5 YEARS	744	383	361	ESKIMO	2	CUBAN	18
6 YEARS	789	444	345	ALEUT	149	OTHER SPANISH	784
7 TO 9 YEARS	2439	1234	1205	JAPANESE	224		
10 TO 13 YEARS	3214	1626	1588	CHINESE	157		
14 YEARS	787	407	380	FILIPINO	47		
15 YEARS	834	423	411	KOREAN	34		
16 YEARS	846	445	401	ASIAN INDIAN	33		
17 YEARS	854	445	409	VIETNAMESE	10		
18 YEARS	923	433	490	HAWAIIAN	15		
19 YEARS	968	460	508	GUAMANIAN	2		
20 YEARS	898	430	468	SAMOAN	6839		
21 YEARS	853	425	428	OTHER			
22 TO 24 YEARS	2904	1365	1539				
25 TO 29 YEARS	4706	2292	2414				
30 TO 34 YEARS	4363	2134	2229				
35 TO 44 YEARS	5752	2850	2902				
45 TO 54 YEARS	4354	2065	2289				
55 TO 59 YEARS	2147	1001	1146				
60 AND 61 YEARS	773	373	400				
62 TO 64 YEARS	1084	471	613				
65 TO 74 YEARS	3128	1325	1803				
75 TO 84 YEARS	1520	536	984				
85 YEARS AND OVER	481	129	352				

PERSONS OF SPANISH ORIGIN BY RACE

TOTAL	9538
WHITE	2982
BLACK	13
AMERICAN INDIAN, ESKIMO	125
OTHER	6418

MARITAL STATUS

SINGLE	4407
NOW MARRIED, EXCEPT SEPARATED	11411
SEPARATED	393
WIDOWED	326
DIVORCED	1065

MALES FEMALES

4407	3622
11411	11352
393	673
326	2185
1065	1954

AGE BY RACE

	TOTAL	WHITE	BLACK	IND,ESK	ASIAN
UNDER 5 YEARS	4368	3269	80	48	58
5 TO 17 YEARS	10507	8260	166	86	142
18 TO 64 YEARS	29725	24926	321	273	422
65 YEARS AND OVER	5129	4739	24	27	49

PERSONS OF SPANISH ORIGIN		
TOTAL	WHITE	BLACK
1273	386	
2611	805	
5221	1616	
433	175	

A2

## --- POPULATION ---

## HOUSEHOLD TYPE AND RELATIONSHIP

PERSONS

UNDER 18 YEARS

ALL  
PERSONSPERSONS  
65 & OVER

HOUSEHOLDER OR SPOUSE	58	FAMILY HOUSEHOLD		
IN MARRIED-COUPLE FAMILY	10753	HOUSEHOLDER	13446	1758
IN OTHER FAMILY	2963	SPOUSE	11054	1171
OTHER RELATIVE	768	OTHER RELATIVE	18099	316
NONRELATIVE	272	NONRELATIVE	617	24
INMATE OF INSTITUTION	61	NONFAMILY		
OTHER GROUP QUARTERS		MALE HOUSEHOLDER	1962	236
		FEMALE HOUSEHOLDER	2782	1275
		NONRELATIVE	1083	39
		GROUP QUARTERS		
		INMATE OF INSTITUTION	646	305
		OTHER	40	5
RELATED CHILDREN UNDER 5 YEARS	4287	TOTAL FAMILIES	13446	
RELATED CHILDREN 5 TO 17 YEARS	10197	TOTAL HOUSEHOLDS	18190	

## --- HOUSEHOLDS ---

## HOUSEHOLD TYPE

## HOUSEHOLDS WITH PERSONS UNDER 18

## HOUSEHOLDS WITH NON RELATIVES

1 PERSON:		MARRIED-COUPLE FAMILY	5864	1307
MALE	1427	OTHER FAMILY:		
FEMALE	2496	MALE HOUSEHOLDER	301	
2+ PERSONS:		FEMALE HOUSEHOLDER	1484	
MARRIED-COUPLE FAMILY	11054	NONFAMILY	91	
OTHER FAMILY:				
MALE HOUSEHOLDER	459			
FEMALE HOUSEHOLDER	1933			
NON FAMILY:				
MALE HOUSEHOLDER	535			
FEMALE HOUSEHOLDER	286			

HOUSEHOLD TYPE	W/PERSONS 60+	W/PERSONS 65+	AGE OF HOUSEHOLDER	TOTAL	RENTER
1 PERSON	1753	1470	HOUSEHOLDER UNDER 65 YEARS	378	81
2+ PERSONS:			HOUSEHOLDER 65 YEARS AND OVER	3269	985
FAMILY	2940	2123			
NONFAMILY	80	54			

## RACE OF HOUSEHOLDER

TOTAL HOUSEHOLDERS

--- HOUSEHOLDERS OF SPANISH ORIGIN ---

	TOTAL	RENTERS		TOTAL	RENTERS
WHITE	15697	5636	TOTAL	2688	1393
BLACK	198	129	WHITE	857	397
AMERICAN INDIAN, ESKIMO, AND ALEUT	148	81	BLACK		
ASIAN AND PACIFIC ISLANDER	206	73			
OTHER	1941	1081			

## --- HOUSING UNITS ---

## TOTAL HOUSING UNITS

TOTAL	19487
INSIDE URBANIZED AREAS	19487
RURAL	

## VACANT HOUSING UNITS

FOR SALE ONLY	367
FOR RENT	675
HELD FOR OCCASIONAL USE	27
OTHER VACANT	219

## CONDOMINIUM TENURE &amp; VACANCY

TOTAL	218
RENTER OCCUPIED	87
VACANT FOR SALE ONLY	38
OTHER VACANT	16

## MEDIAN PERSONS PER UNIT

2.37

## MEAN PERSONS PER UNIT

2.70

## MEDIAN ROOMS

5.1

## AGGREGATE ROOMS BY TENURE &amp; VACANCY

TOTAL	99906
RENTER OCCUPIED	29255
VACANT FOR SALE ONLY	2016
VACANT FOR RENT	2609
OTHER VACANT	1150

## PERSONS IN UNIT

## TOTAL

## RENTERS

1 PERSON	3923	2259
2 PERSONS	5957	2070
3 PERSONS	3203	1249
4 PERSONS	2991	801
5 PERSONS	1280	377
6 OR MORE PERSONS	756	244

## PERSONS IN OCCUPIED UNITS

TOTAL	49043
RENTER OCCUPIED	16855

## PERSONS PER ROOM

1.00 OR LESS	17463
1.01 - 1.50	510
1.51 OR MORE	217

## TOTAL

## RENTERS

17463	6549
510	302
217	149

## TENURE AND OCCUPANCY STATUS BY PLUMBING FACILITIES

## TOTAL

## OCCUPIED

## RENTERS

COMPLETE PLUMBING FOR EXCLUSIVE USE	19410	18133	6951
LACKING COMPLETE PLUMBING FOR EXCLUSIVE	68	57	49

## PERSONS IN UNITS W/1.01+ PERSONS PER ROOM

COMPLETE PLUMBING FOR EXCLUSIVE USE	4034
LACKING COMPLETE PLUMBING FOR EXCLUSIVE	19

## UNITS W/1.01+ PERSONS PER ROOM AND LACKING PLUMBING FACILITIES

TOTAL	5
RENTER OCCUPIED	3

## PERSONS IN UNITS W/1.01+ PERSONS PER ROOM

TOTAL	4053
RENTER OCCUPIED	2311

-PERSONS IN UNITS LACKING COMPLETE PLUMBING FACILITIES

113

A4

3015



--- HOUSING UNITS ---

Visalia City

HOUSING UNIT VALUE		CONTRACT RENT		MEDIAN HOUSING UNIT VALUE	MEDIAN RENT
LESS THAN \$10,000	54	LESS THAN \$50	29	64000	219
\$10,000 TO \$14,999	88	\$50 TO \$99	366		
\$15,000 TO \$19,999	163	\$100 TO \$119	214		
\$20,000 TO \$24,999	208	\$120 TO \$139	270		
\$25,000 TO \$29,999	235	\$140 TO \$149	134		
\$30,000 TO \$34,999	328	\$150 TO \$159	272		
\$35,000 TO \$39,999	389	\$160 TO \$169	261		
\$40,000 TO \$49,999	1056	\$170 TO \$199	1124		
\$50,000 TO \$79,999	4749	\$200 TO \$249	1776		
\$80,000 TO \$99,999	1242	\$250 TO \$299	1155		
\$100,000 TO \$149,000	696	\$300 TO \$399	949		
\$150,000 TO \$199,999	203	\$400 TO \$499	130		
\$200,000 OR MORE	73	\$500 OR MORE	28		
		NO CASH RENT	121		

	AGGREGATE VALUE NON-CONDOMINIUM UNITS	OCCUPANCY STATUS NON-CONDO UNITS	AGGREGATE VALUE CONDOMINIUM UNITS		AGGREGATE RENT	OCCUPANCY STATUS
OWNER OCCUPIED	2574650	9484	20845	RENTER OCCUPIED	1513222	6708
VACANT FOR SALE ONLY	85425	292	9230	VACANT FOR RENT	175231	673

BOARDED UP VACANT HOUSING UNITS

1	15273
2 TO 9	1854
10 OR MORE	1257
MOBILE HOME OR TRAILER	1094

11

VACANT FOR RENT UNITS VACANT 2+ MONTHS	276	VACANT FOR SALE UNITS VACANT 6+ MONTHS	61
PERSONS SUBSTITUTED	365	HOUSING UNITS SUBSTITUTED	154
POPULATION ALLOCATIONS		HOUSING UNIT ALLOCATIONS	
PERSONS WITH ONE OR MORE ITEMS ALLOCATED	4338	YEAR-ROUND HOUSING UNITS WITH ONE OR	2828
RELATIONSHIP ALLOCATED	939	VACANCY STATUS ALLOCATED	63
SEX ALLOCATED	354	DURATION OF VACANCY ALLOCATED	224
AGE ALLOCATED	1217	UNITS AT ADDRESS ALLOCATED	431
RACE ALLOCATED	895	ROOMS ALLOCATED	191
ORIGIN ALLOCATED	1167	PLUMBING FACILITIES ALLOCATED	121
MARITAL STATUS ALLOCATED FOR PERSONS	439	TENURE ALLOCATED	297
		VALUE ALLOCATED	422
		CONTRACT RENT ALLOCATED	269

STF-3

## --- POPULATION ---

107-VISALIA

TOTAL POPULATION (SAMPLE) 49729  
 UNWEIGHTED SAMPLE COUNT 7652  
 100% COUNT OF PERSONS 49729

URBAN 49729  
 RURAL FARM  
 RURAL NONFARM

## RACE/ETHNICITY BY SEX AND AGE

	WHITE		BLACK		INDIAN		ASIAN			SPANISH	
	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES	MALES	FEMALES		MALES	FEMALES
0 - 4	1770	1510	41	71	6	24	23	39	*	667	582
5 - 14	3274	3075	67	52	70	66	77	25	*	999	1040
15 - 59	12331	13270	180	159	220	181	202	232	*	2792	2796
60 - 64	809	951		8	6	5		8	*	64	86
65 +	1822	3005	8		18	64	25	5	*	213	294
	TOTAL	PERCENT	TOTAL	PERCENT	TOTAL	PERCENT	TOTAL	PERCENT		TOTAL	PERCENT
0 - 4	3280	7.8	112	19.1	30	4.5	62	9.7	*	1249	13.1
5 - 14	6349	15.2	119	20.3	136	20.6	102	16.0	*	2039	21.4
15 - 59	25601	61.2	339	57.8	401	60.8	434	68.2	*	5588	58.6
60 - 64	1760	4.2	8	1.4	11	1.7	8	1.3	*	150	1.6
65 +	4827	11.5	8	1.4	82	12.4	30	4.7	*	507	5.3
TOTAL	41817		586		660		636			9533	

## LANGUAGE SPOKEN AT HOME AND ABILITY TO SPEAK ENGLISH

	PERSONS 5 - 17	PERSONS 18 & OVER
ENGLISH	9006	28648
SPANISH		
ENGLISH SPOKEN WELL	980	3964
ENGLISH NOT SPOKEN WELL	180	907
OTHER		
ENGLISH SPOKEN WELL	203	1355
ENGLISH NOT SPOKEN WELL	13	137

## FEMALES:

15 - 24:

	2732
SINGLE	2732
EVER MARRIED	1911

2051

25 - 34

	564
SINGLE	564
EVER MARRIED	4133

6917

35 - 44:

	96
SINGLE	96
EVER MARRIED	2709

6984

MARITAL  
STATUSAGGREGATE  
NUMBER OF  
CHILDREN  
EVER BORN

A6

## ----- ANCESTRY -----

DUTCH	402	ENGLISH & OTHER	7492
ENGLISH	6498	FRENCH & OTHER	2347
FRENCH	514	GERMAN & OTHER	6777
GERMAN	3207	IRISH & OTHER	7429
GREEK	51	ITALIAN & OTHER	975
HUNGARIAN	48	POLISH & OTHER	263
IRISH	1939	*****	
ITALIAN	764		
NORWEGIAN	252		
POLISH	144	MULTIPLE	17188
PORTUGUESE	775	UNCLASSIFIED	2498
RUSSIAN	77	NOT REPORTED	3638
SCOTTISH	306		
SWEDISH	300		
UKRAINE	46		
OTHER	11082		

## PLACE OF BIRTH

## NATIVE:

BORN IN CALIFORNIA	29195
BORN IN OTHER STATE	17535
BORN ABROAD, AT SEA	351
FOREIGN BORN	2648

## VETERANS

MALE VETS	5969
FEMALE VETS	281
TOTAL VBTS:	
1975 +	286
VIETNAM	2259
KOREAN	960
WW II	1907
WW I	44
OTHER	794
MALE NON-VET	11198
FEMALE NON-VET	19153

## GROUP QUARTER POPULATION

INMATE OF MENTAL HOSPITAL 23  
 INMATE OF HOME FOR AGED 324  
 INMATE OF OTHER INSTITUTION 298  
 IN COLLEGE DORMITORY  
 IN OTHER GROUP QUARTERS 28  
 TOTAL 673

SAME HOUSE 17714  
 DIFF HOUSE, SAME CO 14589  
 DIFF CO, SAME STATE 10016  
 DIFF STATE:  
 NORTHEAST 353  
 NORTH CENTRAL 875  
 SOUTH 689  
 WEST 821  
 ABROAD 450

## RESIDENCE IN 1975

LIVING IN SMSA IN 1980  
 SAME SMSA IN 1975:  
 CENTRAL CITY 28804  
 REMAINDER OF SMSA 3499  
 OUTSIDE OF SMSA IN 1975:  
 DIFFERENT SMSA 10920  
 NOT IN AN SMSA 2284  
 NOT LIVING IN AN SMSA IN 1980:  
 IN AN SMSA IN 1975  
 NOT IN AN SMSA IN 1975

## DISABILITY

## WORK DISABILITY

WITH WORK DISABILITY:  
 IN LABOR FORCE 1108  
 NOT IN LABOR FORCE:  
 PREVENTED FROM WORKING 1419  
 NOT PREVENTED 272  
 NO WORK DISABILITY 28335

## PUBLIC TRANSPORTATION DISABILITY

16 - 64:  
 WITH A PUBLIC TRANS DISABILITY 487  
 NO PUBLIC TRANS DISABILITY 30647  
 65 +:  
 WITH A PUBLIC TRANS DISABILITY 610  
 NO PUBLIC TRANS DISABILITY 4285

## FAMILIES AND HOUSEHOLDS

TOTAL FAMILIES 13506  
 TOTAL HOUSEHOLDS 18213

PERSONS IN SUBFAMILY 515

## HOUSEHOLD TYPE AND PRESENCE OF CHILDREN

	TOTAL	WHITE	BLACK	INDIAN	ASIAN	SPANISH
MARRIED COUPLE WITH CHILDREN	6036	5013	48	71	64	1257
MARRIED COUPLE W/O CHILDREN	5352	4891	36	48	69	551
MALE HOUSEHOLDER, NO SPOUSE, W/CHILDREN	269	172	14			114
MALE HOUSEHOLDER, NO SPOUSE, W/O CHILDREN	225	149		20		74
FEMALE HOUSEHOLDER, NO SPOUSE, W/CHILDREN	1133	811	53	14	21	317
FEMALE HOUSEHOLDER, NO SPOUSE, W/O CHILDREN	491	407		24		92
NON-FAMILY HOUSEHOLD	4707	4259	59	19	72	484
	18213	15702	210	196	226	2889

## SUBFAMILIES BY PRESENCE OF OWN CHILDREN

## CHILDREN BY FAMILY TYPE

MARRIED COUPLE FAMILY 11189  
 MALE HOUSEHOLDER, NO SPOUSE 385  
 FEMALE HOUSEHOLDER, NO SPOUSE 2088

MARRIED COUPLE W/CHILDREN 26  
 MARRIED COUPLE W/O CHILDREN 69  
 FATHER-CHILD SUBFAMILY  
 MOTHER-CHILD SUBFAMILY 122

## AGGREGATE NUMBER OF OWN CHILDREN IN MARRIED COUPLE SUB-FAMILIES

21



## ----- WORK LOCATION -----

WORKED IN CO OF RESIDENCE	17092	LIVING IN INC PLACE OF 2500+		LIVING IN SMSA:	
WORKED OUTSIDE OF COUNTY	1289	WORKED IN PLACE	13477	WORKED IN SMSA:	
WORKED OUTSIDE OF STATE	12	WORKED OUTSIDE OF PLACE	4916	CENTRAL CITY	14317
NOT REPORTED	3011	NOT REPORTED	3011	REMAINDER	2775
		NOT LIVING IN PLACE OF 2500+		WORKED OUTSIDE OF SMSA	1301
				NOT REPORTED	3011
				NOT LIVING IN SMSA	

## ----- TRIP TO WORK -----

MODE		TRAVEL TIME (MIN)		AGGREGATE TRAVEL TIME (MIN)	PRIVATE VEHICLE OCCUPANCY	
CAR, TRUCK, VAN:		0 - 4	1134		DRIVE ALONE	16470
DRIVE ALONE	16470	5 - 9	5545		IN 2 PERSON CARPOOL	2354
CARPOOL	3040	10 - 14	6270	300214	IN 3 PERSON CARPOOL	436
PUBLIC TRANS	21	15 - 19	3348		IN 4 PERSON CARPOOL	136
WALKED	697	20 - 29	2405		IN 5+ PERSON CARPOOL	114
OTHER	754	30 - 44	1252			
WORKED AT HOME	398	45 - 59	516			
		60 +	473			

----- EDUCATION -----

	PRIVATE SCHOOL ENROLLMENT	TOTAL SCHOOL ENROLLMENT					
	TOTAL	TOTAL	WHITE	BLACK	INDIAN	ASIAN	SPANISH

NURSERY SCHOOL	404	637	482	34		47	*	126
KINDERGARTEN & ELEM	469	7372	5827	114	116	96	*	1915
HIGH SCHOOL	28	2958	2502	35	31	40	*	558
COLLEGE	136	2547	2193	30	32	77	*	360

## ----- PERSONS 16 - 19 YEARS OLD -----

IN ARMED FORCES  
IN SCHOOL

2343

NOT IN SCHOOL:

EMPLOYED

UNEMPLOYED

NOT IN LABOR FORCE

HS GRAD

382

59

135

NOT HIGH

SCHOOL GRAD

231

53

352

PERSONS 18 YEARS AND OVER  
YEARS OF SCHOOL COMPLETED

HIGH SCHOOL, 3 YEARS OR LESS	9666
HIGH SCHOOL, 4 YEARS	11897
COLLEGE, 1-3 YEARS	8301
COLLEGE, 4 YEARS	2337
COLLEGE, 5+ YEARS	2810

----- YEARS OF SCHOOL COMPLETED BY RACE/ETHNICITY -----

PERSONS 25 YEARS AND OVER

	TOTAL	WHITE	BLACK	INDIAN	ASIAN	SPANISH
ELEMENTARY	4332	3187	30	82	52	*
HIGH SCHOOL 1-3 YEARS	3514	2893	27	86	22	*
HIGH SCHOOL 4 YEARS	8769	8003	28	73	52	*
COLLEGE 1-3 YEARS	6795	6184	62	54	93	*
COLLEGE 4+YEARS	4943	4590	41	56	119	*
						1583
						690
						986
						679
						211

----- EMPLOYMENT STATUS -----										VISALIA		
	TOTAL MALE	TOTAL FEMALE	WHITE MALE	WHITE FEMALE	BLACK MALE	BLACK FEMALE	INDIAN MALE	INDIAN FEMALE	ASIAN MALE	ASIAN FEMALE	SPANISH MALE	SPANISH FEMALE
LABOR FORCE:												
ARMED FORCES	44		21				16				7	
CIV LABOR FORCE:												
EMPLOYED	12577	9231	10904	8242	105	58	125	60	167	113	2063	1252
UNEMPLOYED	750	636	523	478	17	26	28	18	6	15	229	161
NOT IN LABOR FORCE	3840	9567	3218	8205	61	69	69	172	54	102	681	1688

PRESENCE & AGE OF CHILDREN BY  
LABOR FORCE STATUS (FEMALES 16+)

WORK BY UNEMPLOYMENT

AGGREGATE WEEKS WORKED IN 1979

WITH CHILDREN UNDER SIX:

IN LABOR FORCE 1759  
NOT IN LABOR FORCE 2037

WITH CHILDREN 6 - 17:

IN LABOR FORCE 2213  
NOT IN LABOR FORCE 1287

WORKED IN 1979:

WITH UNEMPLOYMENT 2404  
WITHOUT UNEMPLOYMENT 11610  
DID NOT WORK IN 1979:  
WITH UNEMPLOYMENT 161  
NOT IN LABOR FORCE 3036

MALES FEMALES

MALES 627065  
FEMALES 444763

WEEKS UNEMPLOYED IN 1979

1 - 4 1634  
5 - 14 1620  
15 + 1515

WEEKS WORKED BY USUAL HOURS PER WEEK  
35 OR MORE HOURS 1 TO 34 HOURS

MALES FEMALES MALES FEMALES

50 - 52 WEEKS 3732 4238 641 1175  
40 - 49 WEEKS 1640 1110 273 704  
27 - 39 WEEKS 594 733 257 589  
1 - 26 WEEKS 1225 1424 652 1461

AGGREGATE WEEKS UNEMPLOYED IN 1979

MALES 36869  
FEMALES 27350

CLASS OF WORKER

PRIVATE WAGE & SALARY 15840  
FEDERAL GOVT 406  
STATE GOVT 634  
LOCAL GOVT 3017  
SELF-EMPLOYED 1833  
UNPAID FAMILY 78

----- UNEMPLOYMENT IN 1979 -----

	TOTAL	WHITE	BLACK	INDIAN	ASIAN	SPANISH
MALE	2565	1903	89	54	12	746
FEMALE	2204	1840	43	47	23	432

INDUSTRY

OCCUPATION

AGRICULTURE, FORESTRY, FISHERIES & MINING 1103  
CONSTRUCTION 1402  
NONDURABLE GOODS MFG 1522  
DURABLE GOODS MFG 1396  
TRANSPORTATION 572  
COMMUNICATIONS & OTHER PUBLIC UTILITIES 1002  
WHOLESALE TRADE 920  
RETAIL TRADE 4125  
FINANCE, INSURANCE, REAL ESTATE 1437  
BUSINESS & REPAIR SERVICES 955  
PERSONAL, ENTERTAINMENT, RECREATION SERVICES 930  
HEALTH SERVICES 1628  
EDUCATIONAL SERVICES 2308  
OTHER PROFESSIONAL & RELATED SERVICES 1400  
PUBLIC ADMINISTRATION 1108

EXECUTIVE, ADMINISTRATIVE, MANAGERIAL 2505  
PROFESSIONAL SPECIALTY 3156  
TECHNICIANS & RELATED SUPPORT 603  
SALES 3007  
ADMINISTRATIVE SUPPORT, INCLUDING CLERICAL 3907  
PRIVATE HOUSEHOLD 172  
PROTECTIVE SERVICE 304  
SERVICE, EXCEPT PROTECTIVE & HOUSEHOLD 2271  
FARMING, FORESTRY & FISHING 764  
PRECISION PRODUCTION, CRAFT & REPAIR SERVICES 2442  
MACHINE OPERATORS, ASSEMBLERS & INSPECTORS 1034  
TRANSPORTATION & MATERIAL MOVING 886  
HANDLERS, EQUIPMENT CLEANERS, HELPERS & LABORERS 757

----- 1979 INCOME -----

VISALIA

HOUSEHOLD INCOME

MEDIAN HOUSEHOLD  
INCOME

AGGREGATE HOUSEHOLD  
INCOME

TOTAL  
HOUSEHOLDS

\$ 0 - \$ 2,499	628
2,500 - 4,999	1527
5,000 - 7,499	1340
7,500 - 9,999	1677
10,000 - 12,499	1707
12,500 - 14,999	1248
15,000 - 17,499	1420
17,500 - 19,999	1223
20,000 - 22,499	1270
22,500 - 24,999	892
25,000 - 27,499	1037
27,500 - 29,999	716
30,000 - 34,999	1174
35,000 - 39,999	813
40,000 - 49,999	726
50,000 - 74,999	520
75,000 OR MORE	295

16724

369957525

18213

INCOME TYPE

HOUSEHOLDS

--- HOUSEHOLD INCOME BY INCOME TYPE ---

AGGREGATE

MEAN

EARNINGS	14814
WAGE OR SALARY	14072
NONFARM SELF-EMPLOYMENT	2278
FARM SELF-EMPLOYMENT	371
INTEREST, DIVIDEND, OR NET RENTAL	6912
SOCIAL SECURITY	4407
PUBLIC ASSISTANCE	2135
OTHER	3874

263699495

18739

36751895

16133

6244970

16832

23110310

3343

18470645

4191

6593485

3088

15086725

3894

FAMILY INCOME

MEDIAN FAMILY  
INCOME

AGGREGATE FAMILY  
INCOME

TOTAL  
FAMILIES

\$ 0 - 2,499	320
2,500 - 4,999	526
5,000 - 7,499	806
7,500 - 9,999	1130
10,000 - 12,499	1183
12,500 - 14,999	867
15,000 - 17,499	1121
17,500 - 19,999	1034
20,000 - 22,499	1083
22,500 - 24,999	765
25,000 - 27,499	899
27,500 - 29,999	645
30,000 - 34,999	1005
35,000 - 39,999	723
40,000 - 49,999	654
50,000 - 74,999	476
75,000 OR MORE	269

19434

308106355

13506

FAMILIES

AGGREGATE FAMILY  
INCOME

MEAN  
FAMILY  
INCOME

WHITE	11443
BLACK	151
INDIAN	177
ASIAN	154
***	
SPANISH	2405

279169965

24396

2238205

14822

2359755

13331

3729835

24219

34365870

14289

NUMBER OF  
FAMILIES  
BY WORKERS  
IN FAMILY

AGGREGATE  
FAMILY  
INCOME

----- FAMILY INCOME BY RACE/ETHNICITY -----

WHITE BLACK INDIAN ASIAN SPANISH

\$ 0 - \$ 4,999	549	23	38	29	*	283
5,000 - 7,499	516	32	18	*	*	308
7,500 - 9,999	857		5	10	*	365
10,000 - 14,999	1639	45	64	18	*	462
15,000 - 19,999	1795	27	10	30	*	402
20,000 - 24,999	1704		14	11	*	227
25,000 - 34,999	2322	7	22	26	*	296
35,000 - 49,999	1336	12	6	15	*	52
50,000 OR MORE	725	5		15	*	10

NO WORKERS  
ONE WORKER  
2+ WORKERS

1731  
4245  
7530

19238215  
85983060  
202885080



## VISALIA

## UNRELATED INDIVIDUALS

0 - 999	322
1,000 - 1,999	181
2,000 - 2,999	286
3,000 - 3,999	517
4,000 - 4,999	772
5,000 - 5,999	368
6,000 - 6,999	304
7,000 - 7,999	292
8,000 - 8,999	370
9,000 - 9,999	291
10,000 - 11,999	519
12,000 - 14,999	651
15,000 - 24,999	850
25,000 - 49,999	314
50,000 OR MORE	45

MEDIAN INCOME  
UNRELATED  
INDIVIDUALS

7997

## INMATE STATUS

INMATE OF INSTITUTION 2285  
NOT INMATE 7567  
TOTAL 7498

AGGREGATE INCOME  
UNRELATED  
INDIVIDUALS

62033890

PER CAPITA  
INCOME

2285  
7567  
7498

UNRELATED  
INDIVIDUALS

6370

AGGREGATE  
INCOME

1474195  
371400620  
372874815

## ----- POVERTY STATUS -----

## FAMILY TYPE, PRESENCE &amp; AGE OF CHILDREN

## FAMILIES WITH RELATED CHILDREN

	TOTAL FAMILIES	FAMILIES W/FEMALE HOUSEHOLDER & NO HUSBAND
ABOVE POVERTY:		
CHILDREN 0-5 & 6-17	1368	102
CHILDREN 0-5 ONLY	2056	117
CHILDREN 6-17 ONLY	3299	516
NO CHILDREN	5566	393
BELOW POVERTY:		
CHILDREN 0-5 & 6-17	283	137
CHILDREN 0-5 ONLY	377	163
CHILDREN 6-17 ONLY	333	163
NO CHILDREN	224	33

	ABOVE POVERTY	BELOW POVERTY
CHILDREN 0 - 4 ONLY	1790	331
CHILDREN 5 - 17 ONLY	3674	423
CHILDREN 0-4 & 5-17	1259	239

	ABOVE POVERTY	BELOW POVERTY
PERSONS IN FAMILY (EXCLUDING HOUSEHOLDER)		
RELATED CHILDREN 0-4	3508	737
RELATED CHILDREN 5	637	123
RELATED CHILDREN 6-17	8058	1168
OTHER FAMILY	14076	901

	ABOVE POVERTY	BELOW POVERTY
TOTAL POPULATION		
0 - 54	35226	4517
55 - 59	2130	163
60-64	1690	175
65 +	4495	400

	ABOVE POVERTY	BELOW POVERTY
UNRELATED INDIVIDUALS		
15 - 64	3666	857
65 +	1307	252

## AGE OF HOUSEHOLDER

	FAMILIES	NONFAMILIES
BELOW POVERTY:		
HOUSEHOLDER 15-64	1140	435
HOUSEHOLDER 65+	77	241
BETWEEN 100 & 124 % OF POVERTY:		
HOUSEHOLDER 15-64	420	197
HOUSEHOLDER 65 +	68	323
125 % OF POVERTY & ABOVE:		
HOUSEHOLDER 15-64	10170	2559
HOUSEHOLDER 65 +	1631	952

## RATIO OF INCOME TO POVERTY (PERSONS)

BELOW 75 % OF POVERTY	3093
BETWEEN 75 & 124 % OF POVERTY	4455
BETWEEN 125 & 149 % OF POVERTY	2929
BETWEEN 150 & 199 % OF POVERTY	4743
200 % OF POVERTY & ABOVE	33576

	TOTAL	POVERTY WHITE	TOTAL POPULATION STATUS BY RACE/ETHNICITY BLACK	INDIAN	ASIAN	SPANISH
ABOVE POVERTY	43541	37752	366	517	562	7135
BELOW POVERTY	5255	3377	199	101	63	2171

All

## HOUSING UNITS

VISALIA

TOTAL HOUSING UNITS (SAMPLE) 19487  
 UNWEIGHTED SAMPLE COUNTS 3053  
 100 % COUNT OF HOUSING UNITS 19487

## TENURE &amp; OCCUPANCY BY UNITS IN STRUCTURE

	--YEAR ROUND HOUSING UNITS--			VACANT SEASONAL & MIGRATORY UNITS	PERSONS IN OCCUPIED HOUSING UNITS	RENTER OCC
	TOTAL	TOTAL OCC	RENTER OCC		TOTAL	
1, DETACHED	13074	12535	2565	9	37514	7652
1, ATTACHED	980	830	727		1721	1484
2	491	435	387	8	859	773
3 OR 4	1365	1248	1137		2900	2657
5 OR MORE	2567	2197	2055		4218	3845
MOBILE HOME	993	945	129		1681	221

STORIES IN STRUCTURE		W/4 OR MORE STORIES	YEAR-ROUND HOUSING UNITS	SOURCE OF WATER	SEWER DISPOSAL
			AGGREGATE ROOMS		
1 - 3	19470	WITH ELEVATOR		PUBLIC OR PRIVATE	19123
4 - 6		NO ELEVATOR	100484	INDIVIDUAL DRILLED	337
7 - 12				INDIVIDUAL DUG	
13 +				OTHER	10
					PUBLIC SEWER 18848
					SEPTIC OR
					CESSPOOL 622
					OTHER

## YEAR STRUCTURE BUILT (YEAR-ROUND UNITS)

## YEAR MOVED INTO STRUCTURE (OCCUPIED UNITS)

	TOTAL	TOTAL OCCUPIED	RENTER OCCUPIED		TOTAL OCCUPIED	RENTER OCCUPIED
1979 - MARCH 1980	1883	1473	725	1979 - MARCH 1980	6357	4244
1975 - 1978	4582	4277	1473	1975 - 1978	5784	1847
1970 - 1974	3677	3503	1447	1970 - 1974	2427	575
1960 - 1969	3520	3388	1298	1960 - 1969	2239	242
1950 - 1959	2921	2769	883	1950 - 1959	969	40
1940 - 1949	1313	1243	561	1949 OR EARLIER	414	52
1939 OR EARLIER	1574	1537	613			

## HEATING EQUIPMENT

STEAM, HOT WATER SYSTEM	143
CENTRAL WARM-AIR FURNACE	14157
ELECTRIC HEAT PUMP	327
OTHER BUILT-IN ELECTRIC UNITS	478
FLOOR, WALL OR PIPELESS FURNACE	2910
ROOM HEATERS WITH FLUE	1064
ROOM HEATERS WITHOUT FLUE	217
FIREPLACE, STOVE, PORTABLE ROOM HEATER	160
NONE	14

HEATING FUEL	COOKING FUEL	WATER HEATER FUEL
UTILITY GAS	11037	16820
BOTTLED, TANK OR LP GAS	100	260
ELECTRICITY	7004	1110
FUEL OIL, KEROSENE, ETC.		
COAL OR COKE		
WOOD	66	
OTHER FUEL	6	
NONE	14	43

## KITCHEN FACILITIES

COMPLETE FACILITIES	19236
NO COMPLETE FACILITIES	234

## AIR CONDITIONING

NONE	3515
CENTRAL SYSTEM	14053
1 INDIVIDUAL ROOM UNIT	1560
2 OR MORE INDIVIDUAL ROOM UNITS	342

## HOUSING UNITS BY NO OF BEDROOMS

	TOTAL	TOTAL OCCUPIED	RENTER OCCUPIED
NONE	280	227	216
1	1673	1556	1166
2	7463	6767	4267
3	8532	8136	1254
4	1388	1370	90
5 +	134	134	7

## HOUSING UNITS BY NO OF BATHROOMS

	TOTAL	TOTAL OCCUPIED	RENTER OCCUPIED
NONE OR HALF	157	140	104
1 COMPLETE BATHROOM	8398	7658	5067
1 COMPLETE BATHROOM PLUS HALF	1734	1657	419
2 OR MORE COMPLETE BATHROOMS	9181	8735	1410

## VISALIA

	TOTAL OCCUPIED	RENTER OCCUPIED	TELEPHONE AVAILABILITY HOUSEHOLDER 60 - 64	HOUSEHOLDER 65 +
TOTAL	17331	8227	1142	9
RENTER	659	779		

## OCCUPIED UNITS W/O VEHICLE

TOTAL	1356
WHITE	1040
BLACK	40
INDIAN	27
ASIAN	26
SPANISH	206

HOUSING UNITS W/  
VEHICLES AVAILABLE

1	6522
2	6411
3 +	3901

## GROSS RENT

\$ 0 - 59	
60 - 79	6
80 - 99	61
100 - 119	131
120 - 149	332
150 - 169	303
170 - 199	501
200 - 249	1572
250 - 299	1628
300 - 349	913
350 - 399	594
400 - 499	623
500 OR MORE	157
NO CASH RENT	87

	WHITE	BLACK	INDIAN	ASIAN	SPANISH
\$ 0 - 99	43				24
100 - 199	985	17	24	12	295
200 - 299	2494	89	45	40	715
300 OR MORE	1982	39	38	26	336
NO CASH RENT	74			7	15

MEDIAN GROSS  
RENTAGGREGATE GROSS  
RENTAGGREGATE CONTRACT  
RENTRENTER  
OCCUPIEDRENTER OCCUPIED  
VACANT FOR RENT1527845  
1876741527845  
187674HOUSEHOLD INCOME BY GROSS RENT  
AS PERCENT OF INCOME

RENT AS % OF INCOME	0-4,999	5,000-9,999	10,000-14,999	15,000-19,999	20,000 +
0 - 19 %	6	85	239	408	1011
20 - 24 %	23	150	358	243	207
24 - 34 %	106	486	668	222	41
35 + %	1111	1120	198	36	
NOT COMPUTED	124	37	4		23

## INCLUSION OF UTILITIES IN RENT

PAY EXTRA FOR UTILITIES  
NO EXTRA PAYMENT FOR UTILITIES6615  
291



# MORTGAGE STATUS & SELECTED MO OWNER COSTS

VISALIA

UNITS WITH A MORTGAGE		UNITS NOT MORTGAGED	
0 - 99	24	0 - 49	142
100 - 149	208	50 - 74	460
150 - 199	695	75 - 99	522
200 - 249	740	100 - 124	335
250 - 299	824	125 - 149	235
300 - 349	783	150 - 199	194
350 - 399	660	200 - 249	35
400 - 449	768	250 +	44
450 - 499	579		
500 - 599	948		
600 - 749	761		
750 +	529		

## MEDIAN SELECTED MONTHLY OWNER COSTS

MORTGAGE	387
NO MORTGAGE	93

	WHITE	BLACK	INDIAN	ASIAN	SPANISH
0 - 199	763		6	19	222
200 - 299	1416	12	9	7	145
300 - 399	1304	5	7	6	238
400 - 499	1213	6	7	18	159
500 OR MORE	2085	12	23	53	123
NOT MORTGAGED	1786		28	19	257

## AGGREGATE SELECTED MONTHLY OWNER COSTS

## NON CONDOMINIUM HOUSING UNITS

WITH MORTGAGE:  
1975-MARCH 1980  
1970-1974  
1960-1969  
1959 OR EARLIER  
NOT MORTGAGED

2309346  
458613  
337983  
80447  
202790

4516  
1389  
1290  
324  
1967

## HOUSEHOLD INCOME BY SELECTED MO COSTS AS % OF INCOME

OWNER COSTS AS % OF INC:	INCOME				
	0-4,999	5-9,999	10-14,999	15-19,999	20,000 +
0-19 %	124	332	672	657	3867
20-24 %	33	58	112	203	734
25-34 %	87	135	171	338	756
35 + %	279	269	280	209	132
NOT COMPUTED	38				

## OCCUPIED UNITS WITH COMPLETE PLUMBING FACILITIES

	WITH CENTRAL HEATING	LACKING CENTRAL HEATING
BUILT 1939 OR EARLIER:		
< 1.01 PERSONS PER ROOM	1098	338
1.01 + PERSONS PER ROOM	53	29
BUILT AFTER 1939:		
< 1.01 PERSONS PER ROOM	15227	843
1.01 + PERSONS PER ROOM	475	56

AGGREGATE HOUSING UNIT  
VALUE - SELECTED OWNER  
OCCUPIED NON-CONDO UNITS

643081250

AGGREGATE  
HOUSEHOLD  
INCOME

TOTAL OCC  
RENTER OCC

367276415  
90799970

OCCUPIED UNITS  
WITH COMPLETE  
PLUMBING

OCCUPIED UNITS WITH  
COMPLETE PLUMBING  
AND BUILT BEFORE 1939

OCCUPIED UNITS WITH  
COMPLETE PLUMBING WITH  
1.01 + PERSONS PER ROOM

OCCUPIED UNITS WITH  
COMPLETE PLUMBING AND  
LACKING CENTRAL HEATING

TOTAL	18119	1518	613	1266
WHITE	15753	1340	340	974
BLACK	188	6	14	6
INDIAN	197	18	8	27
ASIAN	221	5	18	18
***				
SPANISH	2683	243	386	339



APPENDIX B

TCAG HOUSING NEEDS DETERMINATION



HOUSING NEEDS DETERMINATIONS  
TULARE COUNTY AND CITIES

Report required by Government Code Section 65584 under  
provisions of Chapter 1143, Statutes of 1980 (AB 2853).

December 1983

Tulare County Association of Governments

HOUSING NEEDS DETERMINATIONS  
TULARE COUNTY AND CITIES

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## 1. INTRODUCTION

State legislation enacted in 1980 (Chapter 1143, Statutes of 1980; AB 2853) requires the Tulare County Association of Governments and other councils of governments in California to determine existing and projected regional housing needs. TCAG is also required by AB 2853 to determine each city's share of the regional need for housing. The local shares of regional housing needs are to be considered in the development and updating of housing elements of local general plans. State law requires that all local housing elements in the State be revised to conform to the provisions of law by July 1, 1984.

This report responds to the requirements of AB 2853 for Tulare County, its eight cities, and the unincorporated area of the county. It describes a methodology to estimate existing and projected housing need, which is consistent with the specific statutory requirements. Chapter 2 of the report describes the methods for calculating regional housing need and shows how the specific statutory factors are considered. It estimates the existing and projected need for the county in accordance with law, and determines cities' shares of those needs.

Under AB 2853, a 90-day review period is provided for the Tulare County Board of Supervisors and City Councils to consider the initial determinations of local shares of the regional housing needs. These shares may be revised by these local governments, using accepted planning methods and available data. TCAG is required by subsection (c) of Section 65584 of the Government Code to accept each revision or "indicate, based on available data and accepted planning methodology, why the revision is inconsistent with the regional housing need." TCAG's acceptance or rejection of a local government's revision is to take place within 60 days of the revision. The local review process is more fully described in Chapter 3.



## 2. LOCAL HOUSING NEEDS DETERMINATIONS

This chapter contains the determinations required of TCAG by provisions of AB 2853. The chapter summarizes the methods used to estimate regional housing needs for the Tulare County region, and shares of those needs for each city. The tables included in this chapter provide the numerical information relating to determining the housing needs. Also presented are tables relating to the factors required to be considered in making the determinations. The introductory paragraphs preceding the tables indicate how the numerical information should be interpreted by local governments during the review process.

### Statutory Requirements

Although regional housing need is not defined precisely in AB 2853, the basic ingredients of the regional housing needs determination process may be inferred from Section 65584 of Article 10.6 of the Government Code. This provides that:

...a locality's share of the regional housing need includes that share of the housing need of persons at all income levels within the area significantly affected by the jurisdiction's general plan.

Once TCAG has completed the determination of regional housing needs, the Department of Housing and Community Development may revise this determination to obtain "consistency" with the statewide housing need (see text below). TCAG's determination of the existing and projected regional need for housing, and the local shares of such need, must take into account six factors specified in subsection (a) of Section 65584:

- Market demand for housing
- Employment opportunities
- Availability of suitable sites and public facilities



- Commuting patterns
- Type and tenure of housing
- Housing needs of farmworkers.

The Government Code also requires that the distribution of regional housing needs "seek to avoid further impactation of localities with relatively high proportions of lower income households."

Market Demand for Housing. Detailed housing market analysis for the region has not been prepared and used by TCAG in previous planning studies. There is some information available that may be used to ascertain the demand for housing--as reflected in the growth in households likely to occur in the county. It can also be ascertained from housing value trends and income/affordability analysis. All influence the estimates of housing supply needed, as well as the potential to realize the housing demand--in the form of incomes sufficient to cover the costs of shelter. For purposes of this report, market demand is explicitly used to produce estimates of the vacancy needed to accommodate the present and forecast population levels, and in estimating the distribution of 1990 housing needs by income level and by type.

Employment Opportunities. TCAG's determination of the distribution of regional housing needs is required by law to consider employment opportunities. Tulare County's cities have not historically sought to create new jobs without at the same time providing for expansion of housing opportunities. For purposes of this report, therefore, projected household growth (see text below) is assumed to reflect a continuation of a reasonably high jobs/housing balance, and that the distribution of regional housing need based on projected household growth will reflect growth in employment opportunities.

Availability of Suitable Sites and Public Facilities. Land supply for residential purposes is not constrained in Tulare County or its cities. It appears that suitable sites and facilities are available in the region to accommodate projected housing growth.

One jurisdiction--Farmersville, which has a moratorium on sewer hookups that may continue for approximately 18 months--has service constraints that would significantly alter household growth reflecting trends from 1975 to 1983. In Farmersville, household growth will be slowed somewhat because of the sewer hookup moratorium, but household growth that might otherwise occur in that city is assumed in this report to likely occur in the unincorporated area of the County. The City of Porterville is approaching sewage treatment plant capacity, but it is assumed in this report that improvements will be made in time to avert any constraints on housing growth. The cities of Lindsay and Visalia are in the process of planning for plant and line improvements which will accommodate the projected housing growth.

Commuting Patterns. The 1980 Census showed that 79% of Tulare County's workers live within the county. More than 84% of these workers had travel times of less than 30 minutes from home to job. For purposes of this report, it is assumed that the projected household growth for the county and its cities will reflect the existing condition that a high percentage of workers will live in the county.

Type and Tenure of Housing. These factors are separately discussed in the distribution of projected housing need (see text below).

Housing Needs of Farmworkers. These are separately discussed later in this chapter.

### Use of Available Information

AB 2853 requires the use of available data in the determination of regional housing needs. The Department of Housing and Community Development provided to TCAG information on population growth for the region projected by the Department of Finance to 1990, and its own projection of households for each county. The Department also noted that the Department of Finance was in the process of revising its baseline projections of population, and that these revisions would affect the projection of households. The forecasts produced by DOF have been reviewed in the preparation of this report.

Other information used in the preparation of the report include 1970 and 1980 Census data, annual estimates of farmworker employment provided by the Employment Development Department, and other studies where noted.

### Household Forecasts

TCAG's previous planning studies have included population projections but not household forecasts. Consequently, to estimate regional housing needs, it was necessary to develop a projection of households for the county for 1990, and to estimate a distribution among the cities.

Department of Finance annual estimates of the number of households were reviewed for the county and all cities for years 1975 through 1983. While all years are not directly comparable (the last three years reflect the 1980 Census levels), it was possible to estimate trends in household growth by city and for the county as a whole. The trend-line analysis, using simple linear regression, was used to estimate 1990 households. These estimates were corrected to account for the prediction errors for 1983. The calculations are shown in Table B-1 in the appendices. The projected 1990 households by city are as follows:

#### Incorporated Area

Dinuba	3,725
Exeter	2,402
Farmersville	1,957
Lindsay	2,629
Porterville	10,049
Tulare	10,306
Visalia	26,605
Woodlake	1,589

Unincorporated Area      43,941

Total      103,203

The total estimated for 1990 compares to a level of 80,646 in 1980. The

household growth increment between 1980 and 1990 estimated in this report is approximately equal to that estimated by the Department of Housing and Community Development.

#### Basic Data for Calculations

Tables 1 through 3 provide basic data from the 1970 and 1980 Census used in the calculations of regional housing needs, as described in the following section.

TABLE 1  
1970 CENSUS HOUSING UNIT DATA  
TULARE COUNTY JURISDICTIONS

JURISDICTION	HOUSING UNITS - 1970									
	Total	Seasonal and Migratory Vacant	Total	YEAR-ROUND HOUSING UNITS						
				Occupied Units			Vacant Units			
				Total	Owner	Renter	Total	For Sale	For Rent	Other
Tulare County (total)	61,904	236	61,668	56,490	34,855	21,635	5,178	364	1,475	3,339
Unincorporated Area	34,661	176	34,485	30,654	19,305	11,349	3,831	143	801	2,887
Incorporated Area	27,243	60	27,183	25,836	15,550	10,286	1,347	221	674	452
Dinuba	2,623	0	2,623	2,520	1,574	946	103	10	41	52
Exeter	1,675	2	1,673	1,602	1,000	602	71	5	38	28
Farmersville	1,081	35	1,046	981	565	416	65	10	36	19
Lindsay	1,944	16	1,928	1,792	1,089	703	136	10	74	52
Porterville	3,925	5	3,920	3,686	2,087	1,599	234	25	129	80
Tulare	5,466	0	5,466	5,212	3,130	2,082	254	52	118	84
Visalia	9,520	1	9,519	9,090	5,514	3,566	439	102	226	111
Woodlake	1,009	1	1,008	963	591	372	45	7	12	26

Sources: General Housing Characteristics, 1970 Census of Housing  
Detailed Housing Characteristics, 1970 Census of Housing



TABLE 2  
1980 CENSUS HOUSING UNIT DATA  
TULARE COUNTY JURISDICTIONS

JURISDICTION	HOUSING UNITS - 1980									
	Total	Seasonal and Migratory Vacant	Total	YEAR-ROUND HOUSING UNITS						
				Occupied Units			Vacant Units			
				Total	Owner	Renter	Total	For Sale	For Rent	Other
Tulare County (total)	88,744	2,051	86,693	80,646	51,121	29,525	6,047	1,113	2,198	2,736
Unincorporated Area	42,788	2,007	40,781	37,572	24,634	12,938	3,209	351	839	2,019
Incorporated Area	45,956	44	45,912	43,074	26,487	16,587	2,838	762	1,359	717
Dinuba	3,364	3	3,361	3,182	2,002	1,180	179	50	61	68
Exeter	2,132	0	2,132	2,060	1,340	720	72	20	32	20
Farmersville	1,760	11	1,749	1,640	1,102	538	109	27	58	24
Lindsay	2,515	0	2,515	2,344	1,463	881	171	21	101	49
Porterville	7,182	4	7,178	6,605	3,877	2,728	573	171	256	146
Tulare	8,196	13	8,183	7,774	4,735	3,039	409	101	166	142
Visalia	19,487	9	19,478	18,190	11,190	7,000	1,288	367	675	246
Woodlake	1,320	4	1,316	1,279	778	501	37	5	10	22

Source: Summary Tape File 1A, 1980 Census of Housing

TABLE 3  
1970 and 1980 DATA  
HOUSING VALUE, CONTRACT RENT, HOUSING UNITS BY TYPE, AND FAMILY INCOME  
TULARE COUNTY JURISDICTIONS

JURISDICTION	Median Housing Value (\$) (Specified Owner-Occupied)		Median Contract Rent (\$)		YEAR-ROUND HOUSING UNITS BY TYPE - 1980						Median Family Income (\$)	
	1970	1980	1970	1980	Single-Family		Multiple-Family		Mobilehome		1970	1980
					Number	%	Number	%	Number	%		
Tulare County (total)	12,900	48,900	65	176	66,454	76.63	14,365	16.57	5,899	6.80	7,745	16,172
Unincorporated Area	12,780	44,600	59	154	34,424	79.53	4,668	11.45	3,679	9.02	7,435	15,368
Incorporated Area	13,450	52,800	71	191	34,030	74.06	9,697	21.11	2,220	4.83	8,200	16,974
Dinuba	12,100	46,400	62	168	2,593	77.36	661	19.72	98	2.92	7,535	15,348
Exeter	12,000	44,300	59	160	1,700	79.74	327	15.34	105	4.92	8,110	15,557
Farmersville	7,700	36,000	52	133	1,422	80.80	302	17.16	36	2.04	4,929	11,518
Lindsay	11,500	38,600	57	150	1,797	71.45	553	21.99	165	6.56	7,721	15,033
Porterville	14,200	52,300	73	183	4,788	66.65	1,942	27.03	454	6.32	8,122	16,893
Tulare	11,700	45,300	66	178	6,588	80.21	1,299	15.81	327	3.98	7,314	16,216
Visalia	16,900	64,000	86	219	14,054	72.18	4,423	22.72	993	5.10	9,669	19,434
Woodlake	9,700	35,900	53	130	1,088	82.43	190	14.39	42	3.18	6,577	11,935

Note: The data shown in the columns displaying year-round housing units by type is sample data from STF 3A; therefore, except for Exeter and Lindsay, the sum of the types will not agree with 100% count (STF 1A) total year-round units exhibited on the other table.

Sources: General Housing Characteristics, 1970 Census of Housing  
Detailed Housing Characteristics, 1970 Census of Housing  
General Social and Economic Characteristics, 1970 Census of Population  
Summary Tape File 1A, 1980 Census of Population and Housing  
Summary Tape File 3A, 1980 Census of Population and Housing

## Housing Need Determination

The method used to calculate the existing and projected housing need for Tulare County and for each of its cities is designed to reflect the factors prescribed in Section 65584 of Article 10.6. Changes in vacancy rates and in housing values and rents are used as indicators of market demand. Household projections are based on consideration of employment opportunities, the availability of suitable sites and commuting patterns.

### Summary of method:

- Step 1. Calculate "available housing" in 1980 and 1970. This includes all occupied units plus those vacant units that are available for permanent full-year occupancy. Vacant units excluded are second homes, units awaiting demolition, those used for seasonal and migrant housing, and those reported by the Census as "vacant other", where the tenure and/or the reason for vacancy were unknown.
- Step 2. Calculate the vacancy ratio, which measures the difference in the amount of vacant available housing, 1970 to 1980, in each jurisdiction.
- Step 3. Calculate the housing cost to income ratio, which measures the difference between the rate of increase in median family income over the same period. This is actually calculated in two parts--one reflecting change in the median value of owner-occupied housing, the other reflecting change in median rent paid for all renter-occupied housing. The two parts are combined and weighted according to the relative proportions of homeowners and renters in each jurisdiction.
- Step 4. Calculate the "available vacancy rate", which measures the proportion of available housing that was vacant and available in 1980--i.e., either for rent or for sale.
- Step 5. Calculate the "optimal vacancy rate", which is based largely on the "available vacancy rate" but also reflects an adjustment based on a combination of the factors calculated in steps 2 and 3 above. Also reflected in the "optimal" rate is a regional or county-wide vacancy goal, postulated at 4.5%, which is used as a minimum target to be considered in adjusting each jurisdiction's "available" rate to its "optimal" rate.

Step 6. Calculate the "existing housing need", which is the additional number of units derived from the "optimal vacancy rate" in excess of the number available in 1980. If the 1980 available stock had been increased by the number of units calculated as the "existing need", there would theoretically have been enough housing to have kept the market in a better balance between demand and supply. That is, the prices and rents would have increased more in line with household incomes. Moreover, those seeking housing in the area would have theoretically had a similar range of choices in terms of the number and price range of units available in 1980 as in 1970.

Step 7. Calculate the "projected housing need", which is the number of units needed to provide for projected household growth and, at the same time, keep the market in balance. It is based on the "optimal vacancy rate" calculated for the "existing need" and includes the number of units calculated as the "existing need", as well as the number required to provide for the projected household growth between 1980 and 1990. A five year projected need can be estimated by comparing this 10-year projected need with the recorded additions to the housing stock since 1980, and distributing the remaining need over the remaining years in the decade.

The actual formulas used to calculate the existing and projected housing need are included in Appendix B, along with a further technical explanation of the methodology.

The remainder of this chapter presents information on the regional housing needs determinations, as follows:

- Existing need
- Projected need
- Type
- Income levels
- Farmworker housing need



## Existing and Projected Needs

Table 4 shows existing and projected housing needs for Tulare County, its unincorporated area, and the eight cities. The existing needs calculations provide an audit of the region's housing stock situation in 1980. It shows how far short the county and its cities were in having sufficient housing available to have kept the housing market in a better supply-demand balance.

The projected housing need is the number of units needed to fill the existing need, plus provide enough units to accommodate the projected household growth in the county and its cities, plus provide for vacancy to maintain mobility in the housing market.

In terms of local housing element planning, it is these figures that are the most critical to review. Projected housing need is a major subject for local governments to include in updates of their local housing elements. Updated housing elements must be completed by July 1, 1984, according to provisions of State law. Under provisions of Chapter 1152 (AB 2320) of the Statutes of 1980, local governments are required to zone land for residential uses to meet the housing needs as identified in the general plan.

## Consideration of Type and Tenure of Housing

TCAG, in making its determinations of regional housing needs, is required to consider type of housing (i.e., single, multiple and mobile homes) and tenure of housing (i.e., owner and renter).

### Housing Type

Data used in this consideration is derived from the Federal Census of 1980. Table 5 shows a distribution of projected housing need by type, assuming that the relative distribution of housing would be approximately that of the 1980 Census distribution, but that, over time, the distribution of housing by type would approximate the county distribution in 1980. Each city's percentages of housing by type, as shown in Table 3, is averaged with the county's percentages, and the resulting percentages are applied to the projected housing need. Local governments may wish to examine the relative change in housing type between 1970 and 1980 to determine if different percentages should be used in local housing elements.

### Tenure of Housing

As described previously, the 1970 and 1980 percentages of owner and rental housing by jurisdiction were explicitly considered in defining the optimal vacancy rate for each jurisdiction.

## Consideration of Income Levels

TCAG, in making its determinations of regional housing needs, is required to consider the need for housing at all income levels. Section 65584 of Article 10.6 of the Government Code defines each locality's share of the

TABLE 4  
EXISTING AND PROJECTED HOUSING NEED  
TULARE COUNTY AND CITIES

<u>Jurisdiction</u>	<u>1980 Existing Housing Stock</u>	<u>1980 Existing Need*</u>	<u>1990 Projected Need* for Additional Housing Units</u>
Incorporated Area			
Dinuba	3,361	18	583
Exeter	2,132	18	372
Farmersville	1,749	7	342
Lindsay	2,515	12	313
Porterville	7,178	25	3,704
Tulare	8,183	32	2,661
Visalia	19,478	98	9,041
Woodlake	1,316	29	349
Unincorporated Area**	40,781	173	6,631
Total County	86,693	412	23,996

\* "Need" means net addition to available stock. Projected need includes the existing need

\*\* Existing need is calculated for the unincorporated area as if it were an incorporated city. Projected need is calculated as a county remainder, that is, the overall county need less the sum of the needs of incorporated areas.

TABLE 5  
DISTRIBUTION OF HOUSING NEED BY TYPE  
TULARE COUNTY AND CITIES  
1990

<u>Jurisdiction</u>	<u>Single Family Dwellings</u>	<u>Multiple Family Dwellings</u>	<u>Mobile Homes and Manufactured Housing</u>
Incorporated Area			
Dinuba	449	106	28
Exeter	291	59	22
Farmersville	269	58	15
Lindsay	232	60	21
Porterville	2,654	807	243
Tulare	2,087	431	143
Visalia	6,727	1,777	537
Woodlake	278	54	17
Unincorporated	5,177	929	525
Total County	18,164	4,281	1,551

regional housing need as:

...that share of the housing need of persons at all income levels within the area significantly affected by the jurisdiction's general plan.

The Government Code also requires that the distribution of regional housing needs "seek to avoid further impaction of localities with relatively high proportions of lower income households." State law does not define impaction. It does not prescribe numerical terms under which a community is considered to have a relatively high number of lower income households.

The most widely used definitions of income groupings of population are those used by the U.S. Department of Housing and Urban Development to determine eligibility for Federal housing assistance. Section 6932 of Title 25 of the California Administrative Code sets forth the income limits used by the State Department of Housing and Community Development, which are in large part based on the HUD income limits. Usually this limit is determined for a four-person household. A set of other factors is used to determine eligibility limits for other household sizes.

Applied to Tulare County, a household of **very low income** is one with an income of up to 50% of the median income for the region. A household of **low income** is one with an income of 51-80% of the median regional income. A **moderate income** household is one with an income of 81-120% of the median regional income. A household with an income greater than 120% of the regional median is considered of **above moderate** income.

For purposes of the housing needs determinations, this report does not adjust the income levels by household size. It considers the 1979 income distribution of households for the county and city, as reported by the Census Bureau in the 1980 Census. The Census reports a 1979 median household income for the region as \$14,153. Thus, a household with an income of \$7,077 or less would be very low income, a household with an income from \$7,078 to \$11,321 would be low income, and a household with an income of from \$11,322 to \$16,984 would be considered of moderate income. An income of greater than \$16,984 would be above moderate income. These income limits were used to estimate the proportion of households in each jurisdiction in the county in the four income categories.

For the county, 22% of the households are very low income, 18% are low income, 19% are moderate income, and 41% are above moderate income. Table 6 shows the 1979 distribution of each jurisdiction's households compared to the county median household income.

Since AB 2853 requires each council of governments to determine regional



TABLE 6  
HOUSEHOLD INCOME  
TULARE COUNTY AND CITIES  
1979

<u>Jurisdiction</u>	Existing Income Distribution			
	<u>% Very Low</u>	<u>% Low</u>	<u>% Moderate</u>	<u>% Above Moderate</u>
Incorporated Area				
Dinuba	23 %	19 %	20 %	38 %
Exeter	25	18	19	38
Farmersville	29	24	22	25
Lindsay	24	20	21	35
Porterville	24	18	17	41
Tulare	25	17	19	39
Visalia	18	15	24	43
Woodlake	36	19	20	25
Unincorporated	21	19	20	40
Total County	22	18	19	41

Source: 1980 Census

housing needs, what is implied by a determination of household need by income category is movement toward the distribution of households by income category within the region.

This movement-toward-the-regional-distribution presumption is in effect a goal to promote greater housing opportunities throughout the county. For purposes of this report, the existing city percentages are averaged with the existing county and regional percentages to determine the percentage to be applied to the projected housing need to promote a more equitable distribution of housing opportunities within the county.

For example, the City of Dinuba (with 23% very low) is averaged with the county (22% very low) to derive a projected percentage of 22% very low  $(23+22=45; 45/2=22.5\%)$ , with figures rounded toward the county percentage). The projected housing need by income category is shown in Table 7.

The resulting numbers from the procedure described above do not imply that each jurisdiction must produce the identified amount of very low, low, moderate and above moderate income housing. The numbers do imply a net increase in the number of available units in each of these income categories. A community can promote additional housing opportunities by a number of means. Included among these are "filtering; allowing large single-family homes to be converted to multi-family uses; promoting or encouraging the rehabilitation of substandard units or units presently scheduled for demolition; providing for the conversion of seasonal to year-round occupancy; or authorizing the construction of new low- and moderate-income housing units. How the county and each city will address the determination of regional housing need by income category will be decided within the housing element of each individual jurisdiction.

#### Consideration of Farmworker Housing Need

As noted previously, one factor to be considered in the determination of regional housing need is the housing needs of farmworkers.

The State Department of Employment Development annually estimates the total agricultural employment in 42 of the State's counties. Tulare County is one of the 42, reflecting in part the historical predominance of agriculture as an industry in the county.

EDD estimates there were approximately 31,410 workers employed in agriculture in the county in 1982. This number includes farmers and members of their families who were unpaid; regular and seasonal hired domestic workers; and agricultural workers brought to California under contract from outside the United States. This last category of worker has contained no workers in Tulare County since 1964--three years before termination of the bracero program by then-Governor Ronald Reagan in 1967.

TABLE 7  
PROJECTED HOUSING NEED BY INCOME CATEGORY  
TULARE COUNTY AND CITIES  
1990

<u>Jurisdiction</u>	Very Low (50 % of median)	Low (51-80% of median)	Moderate (81-120% of median)	Above Moderate (over 120% of median)
Incorporated				
Dinuba	128 (22%)	105 (18%)	111 (19%)	239 (41%)
Exeter	86 (23%)	67 (18%)	71 (19%)	148 (40%)
Farmersville	86 (25%)	72 (21%)	68 (20%)	116 (34%)
Lindsay	72 (23%)	59 (19%)	63 (20%)	119 (38%)
Porterville	852 (23%)	667 (18%)	667 (18%)	1,518 (41%)
Tulare	612 (23%)	479 (18%)	506 (19%)	1,064 (40%)
Visalia	1,808 (20%)	1,537 (17%)	1,899 (21%)	3,797 (42%)
Woodlake	101 (29%)	63 (18%)	70 (20%)	115 (34%)
Unincorporated Area	1,459 (22%)	1,194 (18%)	1,260 (19%)	2,718 (41%)
Total County	5,204	4,243	4,715	9,834

\*Median income for the Tulare County region in 1979 was \$14,153.

In Tulare County, the 1982 level of agricultural employment was about 13% higher than the 1975 level, but only about 3% higher than the 1970 level. It was approximately 99% of that in the previous year, when total agricultural employment was at its peak in the county.

Farmers and Unpaid Family. The number of farmers and unpaid family workers in 1982 was estimated by EDD to be 5,950. This was 33% lower than the number in this category in 1950--the year of highest employment of farmers and unpaid family.

Regular and Seasonal Hired Domestic Workers. The total number of workers in the county in this category in 1982 was estimated at 25,460, roughly the same as the peak year 1981.

Background on Farmworker Housing Needs. For purposes of this report, farmworkers are defined as **regular and seasonal hired domestic workers**. Complete data on the specific housing needs of farmworkers is not available from the 1980 Census, and the surveys done by EDD do not cover all farmworkers. In 1976, farmworker families were estimated to have an average annual income of less than \$6,000 statewide. As is the case of most low-income households, the housing needs of farmworkers far exceed governments' ability to provide assistance. The Farmers Home Administration (FmHA) is the most important provider of permanent housing for farmworkers, but FmHA assistance suffers from its own income qualifying standards and a shortage of staff and funds. Other providers of farmworker housing are the State Department of Housing and Community Development and the Office of Migrant Services of EDD (which operates migrant centers throughout the State).

Because farmworkers are of low-income and their employment status is frequently tenuous, they are often unable to compete for housing on the open market. In addition, because most share a culture and language that is different from the communities in which they work, they are often discriminated against in the housing market.

Even among the broader farmworker population, there are different groups--each with its own housing problems. Regular or year-round farmworkers are defined by EDD as those working 150 or more days for the same employer. Regular farmworkers comprise about 26% of the county's farmworker population. Their incomes are generally higher than seasonal workers (who work less than 150 days annually for the same employer), although most are unable to obtain affordable ownership or standard rental housing.

Seasonal and migrant seasonal workers represent about three quarters of the county's farmworker population. Seasonal workers are generally local residents who depend heavily on finding employment in the agricultural industry to support their families. Migrant seasonal workers are those who



travel more than 50 miles across county lines to obtain agricultural employment. The housing needs of the latter category is most severe because of constant travel. These workers often take what they can get in terms of housing, which often includes living in substandard, overcrowded conditions.

A 1975 study by Self-Help Enterprises found that statewide trends and projections indicated a stabilization of the agricultural work force, a forecast that has proven to be accurate. Another of the study's conclusions was a projection that seasonal farmworker employment would gradually decline as a result of the increased demand for year-round workers. This conclusion runs contrary to what has happened in Tulare County (and certain other agricultural counties). In 1964--the first year in which EDD reported seasonal workers separately from other domestic farmworkers--seasonal workers comprised about 66% of the domestic farmworker labor force. By 1970, this percentage had grown to 69%, and by 1982 to 74%. Seasonal workers in 1982 numbered 18,770, the highest amount since EDD began reporting seasonal farmworker employment.

Determining the Housing Needs of Farmworkers. For purposes of this report, the EDD estimates were used to project the number of farmworkers for 1990.

1. Because total domestic farmworker employment estimates were available beginning with 1950, a trend-line analysis using simple linear regression was used to project total hired domestic employment for 1990. The 1990 estimate was corrected for the difference between the predicted 1982 level and the estimate for that year. Total domestic farmworker employment was estimated for 1990 at a level of 28,636.

A similar trend-line analysis was produced for regular farmworkers, using 1964-1982 data from EDD. After correction, 1990 regular farmworker employment was estimated at 7,185--in the mid-range between the historical high of 7,500 for 1970-1981 and the low of 6,690 in 1982.

2. 1980 Census data was used to calculate each city's share of the number of households employed in Tulare County in the occupational category known as farming, forestry and fishing. These are shown in Table 8. The bulk of this employment in 1979 occurred in the unincorporated area of the county.

3. For all civilian workers in the Tulare County labor force (employed and unemployed), the 1980 Census showed workers per household in the county to be 1.29. Among the cities, the rates ranged from 1.13 in Exeter to 1.38 in Lindsay. Lindsay, Woodlake and the unincorporated area had labor force participation rates higher than in the county.

It was assumed for purposes of this report that labor force participation among farmworkers is 1.5 workers/household. This assumption was based on the traditional family participation in the fields, the shifting needs of farm operations and an increasing attendance at both regular and migrant schools, as farmworker parents are increasingly realizing the value of education for their children despite their own lower educational attainment levels.

The 1.5 workers/household figure was used to estimate the number of farmworker households for 1980 (using the EDD figures) and for the projected 1990 farmworkers (from step 1 above).

4. Finally, the projection of 1990 regular and seasonal farmworker households was compared with the estimates for 1980 to determine the "projected housing need" for farmworker households. For the region as a whole, the projected need for housing for regular farmworkers is the difference between the projected 1990 number of households of 4,790 and the estimated existing number of regular domestic farmworker households, 4,460. These are distributed among the cities based on their shares of households employed in the occupational category described in Step 2. Farmworker housing need is shown in Table 8.

5. For the county as a whole, the analysis described above suggests there will be an increase in the number of seasonal farmworker households.

Because this report concentrates on determining a needed increase in housing available for year-round occupancy, it is assumed that seasonal workers will continue to be housed in non-year-round units. For planning purposes, this means that no net increase in seasonal or migrant housing is calculated. Each city and the county within the TCAG region, however, should consider this category of need in individual housing elements.

TABLE 8

ESTIMATED DISTRIBUTION OF FARMWORKER HOUSING NEED  
TULARE COUNTY AND CITIES

1990

<u>Jurisdiction</u>	<u>Employed in Farming Forestry and Fishing</u>	<u>Fraction of County Total</u>	<u>Estimated Farmworker Households</u>		<u>Additional Farmworker Housing Need in 1990</u>
Incorporated Area			<u>1982</u>	<u>1990</u>	
Dinuba	677	.036			
		Regular	161	172	11
		Seasonal	450	515	
Exeter	221	.012			
		Regular	54	57	3
		Seasonal	150	172	
Farmersville	287	.015			
		Regular	67	72	5
		Seasonal	188	215	
Lindsay	832	.044			
		Regular	196	211	15
		Seasonal	551	629	
Porterville	792	.042			
		Regular	187	201	14
		Seasonal	526	601	
Tulare	789	.042			
		Regular	187	201	14
		Seasonal	526	601	
Visalia	1,103	.059			
		Regular	263	283	20
		Seasonal	738	844	
Woodlake	577	.030			
		Regular	134	144	10
		Seasonal	375	429	
Unincorporated Area	13,540	.720			
		Regular	3,211	3,449	238
		Seasonal	9,009	10,296	
Total County	18,824				
		Regular	4,460	4,790	330
		Seasonal	12,513	14,300	

Sources: 1980 Census and projected farmworker households based on farmworker employment estimated by State Department of Employment Development.

### 3. LOCAL GOVERNMENT REVIEW PROCESS

Chapter 1143 of the Statutes of 1980 provides a three-step review process for determining regional housing needs. These steps are:

- Initial determination of regional housing needs by TCAG.
- Local review and revision, where appropriate.
- TCAG action on the local revisions.

#### Initial Determination Phase

This step would be accomplished by TCAG action on this report, which identifies the regional housing needs, and local shares of such needs, after consideration of the factors listed in Section 66584 of the Government Code. The completion of this step would begin a 90-day local revision process.

#### Local Review and Revision Phase

Subsection (c) of Section 65584 of the Government Code provides for a 90-day period during which each county and city may revise its share of the regional housing need, using accepted planning methods and available data.

#### TCAG Action on Local Revisions Phase

Within 60 days of a local government's revision to its share of the regional housing need, TCAG must either accept the revision, or indicate why the revision is inconsistent with the regional housing needs.

The housing element law specifies that local government revisions must be based on available data and accepted planning methods. It does not specify what constitutes available data, nor does it prescribe a planning methodology.

The most critical assumption with respect to the regional housing needs determinations is that household growth between 1980 and 1990 in each jurisdiction will occur at roughly the rates it has for the past eight years, and that the distribution of households among the cities and in the unincorporated area will approximate that development pattern.

The housing need for the unincorporated area is not distributed to unincorporated communities within the county.



TCAG requests local governments to review this report, and its assumptions carefully, and to make appropriate revisions, if necessary.

## APPENDIX A

### LIST OF REFERENCES

Bureau of the Census, General Housing Characteristics, HC(1)-A6, Tables 18, 23 and 27, 1970 Census.

Bureau of the Census, Detailed Housing Characteristics, HC(1)-B6, Table 60, 1970 Census.

Bureau of the Census, Summary Tape Files 1 and 3, 1980 Census.

Employment Development Department, Agricultural Employment Estimates, Annual Averages 1950-1982, Report 881-X, Sacramento, January 1983.

Department of Finance, Population Research Unit, Controlled County Population Estimates, 1975 through 1983, Sacramento.

Department of Finance, Housing Units by Type for California Cities and Counties, 1970 and 1975 through 1979, Report 78-E-3a, Sacramento, 1978.

Franchise Tax Board, Annual Report, Sacramento, 1980.

Governor's Office of Planning and Research, General Plan Guidelines, Sacramento, December 1982.

## APPENDIX B

### TECHNICAL DEFINITIONS AND FORMULAS FOR CALCULATING REGIONAL HOUSING NEEDS

The formulas used to calculate the existing and projected housing need are included in this appendix. The terms are listed and defined on the next page, followed by a listing of the formulas used to calculate housing needs. An explanation of how the optimal vacancy rate is calculated is presented. Finally, the appendix shows in tabular form how the projected households for 1990 were estimated.

### Definitions

- a = vacancy ratio
- b + c = housing cost to income ratios
- ln = natural logarithm
- Aho = available housing units
- hh = households = occupied housing units
- hv = median value of owner-occupied units
- fi = median family income
- rv = median rent of renter-occupied units
- fu = unweighted variance factor
- fw = weighted variance factor
- RVR = Regional Vacancy Rate = .045
- AVR = Available Vacancy Rate =  $\frac{Aho - hh}{Aho}$
- Shc = Shortfall coefficient
- OVR = Optimal Vacancy Rate
- $N_E$  = Existing Need (1980)
- $N_p$  = Projected Need (1990)



Formulas Used to Calculate Existing and Projected Housing Need

$$a = \frac{\ln Aho_{70} - \ln hh_{70}}{\ln Aho_{80} - \ln hh_{80}}$$

$$b = \frac{\ln hv_{80} - \ln hv_{70}}{\ln fi_{80} - \ln fi_{70}} \times \% \text{ owner hh}$$

$$c = \frac{\ln rv_{80} - \ln rv_{70}}{\ln fi_{80} - \ln fi_{70}} \times \% \text{ renter hh}$$

$$fu = \frac{a + (b + c)}{20} - .1$$

$$fw = fu \left\{ \frac{RVR}{AVR} \right\}$$

$$Shc = \frac{1}{1 + fw}$$

$$Shc = \frac{AVR}{AVR + .00225 (a + (b+c)) - .0045}$$

$$OVR = (AVR)^{Shc}$$

$$N_E = \frac{hh_{80}}{1 - OVR} - Aho_{80}$$

$$N_P = \frac{hh_{90}}{1 - OVR} - Aho_{80}$$

### Calculating the Optimal Vacancy Rate

After calculating the three ratios (a), (b) and (c), they are summed in the following manner:

$$fu = \frac{a + (b + c)}{20} - .1$$

Ratios (b) plus (c), combined, are given equal weight to ratio (a) in the formula. Thus, if they sum to a value to 2, then the existing available vacancy rate would be the optimal rate and the existing need would be 0. Also, a floor constraint is set, such that (a)  $\geq 1.0$  and (b) plus (c)  $\geq 1.0$ . This implies that the optimal rate cannot be less than the available vacancy rate, and there cannot be a "negative housing need." The larger the variance (fu) from zero, the greater the implied disequilibrium with respect to excess demand over supply.

After calculating the variance factor, a weight is applied to adjust for a Regional Vacancy Goal Ratio. This ratio is used to adjust the difference between a jurisdiction's vacancy rate and the regional vacancy goal of 4.5% for all housing. The reciprocal of the ratio (jurisdiction vacancy rate/Regional Goal vacancy rate) is a multiplier which is applied to the variance factor (fu) to calculate a weighted variance factor (fw). The multiplier is used to minimize any potential bias against jurisdictions that may have high initial vacancy rates. Generally, these jurisdictions are older and have a higher proportion of units that are substandard. Since substandard units do not generally turn over as fast, they create artificially higher vacancy rates that do not reflect actual demand in a jurisdiction for adequate housing.

Next, a coefficient of short-fall is calculated. This coefficient represents the deficiency by which the existing vacancy rate must be adjusted in order to obtain the optimal vacancy rate. If the local market is near equilibrium, then the variance approaches 0.0. A short-fall coefficient of 1.0 equals the existing vacancy rate, and the existing need would be zero.

That is,

$$\frac{1}{1 + 0} = 1.0$$

After calculating this coefficient, it is used to raise the existing rate to an optimal level by use of a power function. A power function ( $y^x$ ) is used where: y = calculated vacancy rate and x = the short-fall coefficient. This function is used because it

suggests mathematically a relationship that best measures severity of the housing short-fall and is not linear, but increases the upward movement of the optimal vacancy rate at an increasing rate as the coefficient of short-fall diverges from 1.0. As a measure of elasticity, for every 0.01 decline in the severity coefficient there is an approximate 4% decline in the available vacancy rate needed to move the market near equilibrium. Now, assume that the available vacancy rate in a community is .038 or 3.8% of the available housing stock. Let,  $(0.038 \cdot 8704 = .058)$  which implies that the optimal vacancy rate should be closer to 5.8% as opposed to 3.8%. The difference between the two numbers implies a housing production short-fall.

TABLE B-1  
HOUSEHOLD PROJECTION DATA

**Dinuba**

1975	1976	1977	1978	1979	1980	1981
<u>2856</u>	<u>2965</u>	<u>3026</u>	<u>3074</u>	<u>3114</u>	<u>3194</u>	<u>3276</u>
1982	1983	E*	Projected 1990**			
<u>3298</u>	<u>3320</u>	<u>-137</u>	<u>3725</u>			r=.99

**Exeter**

1975	1976	1977	1978	1979	1980	1981
<u>1844</u>	<u>1917</u>	<u>1976</u>	<u>1972</u>	<u>2035</u>	<u>2073</u>	<u>2087</u>
1982	1983	E*	Projected 1990**			
<u>2134</u>	<u>2147</u>	<u>-90</u>	<u>2402</u>			r=.98

**Farmersville**

1975	1976	1977	1978	1979	1980	1981
<u>1135</u>	<u>1239</u>	<u>1288</u>	<u>1382</u>	<u>1463</u>	<u>1573</u>	<u>1672</u>
1982	1983	E***	Projected 1990***			
<u>1691</u>	<u>1710</u>	<u>-172</u>	<u>1957</u>			r=.99

**Lindsay**

1975	1976	1977	1978	1979	1980	1981
<u>2079</u>	<u>2103</u>	<u>2238</u>	<u>2296</u>	<u>2297</u>	<u>2333</u>	<u>2353</u>
1982	1983	E*	Projected 1990**			
<u>2370</u>	<u>2369</u>	<u>-61</u>	<u>2629</u>			r=.92

**Porterville**

1975	1976	1977	1978	1979	1980	1981
<u>4750</u>	<u>5040</u>	<u>5203</u>	<u>5440</u>	<u>6067</u>	<u>6505</u>	<u>7208</u>
1982	1983	E*	Projected 1990**			
<u>7298</u>	<u>7416</u>	<u>-944</u>	<u>10049</u>			r=.98

**Tulare**

1975	1976	1977	1978	1979	1980	1981
<u>6166</u>	<u>6411</u>	<u>6574</u>	<u>6902</u>	<u>7257</u>	<u>7739</u>	<u>7929</u>
1982	1983	E*	Projected 1990**			
<u>8141</u>	<u>8294</u>	<u>-738</u>	<u>10306</u>			r=.99



TABLE B-1 (continued)

**Visalia**

1975	1976	1977	1978	1979	1980	1981
<u>12400</u>	<u>13025</u>	<u>13993</u>	<u>15168</u>	<u>16542</u>	<u>17810</u>	<u>19088</u>
1982	1983	E*	Projected 1990**			
<u>19365</u>	<u>19551</u>	<u>-2217</u>	<u>26605</u>			r=.99

**Woodlake**

1975	1976	1977	1978	1979	1980	1981
<u>1084</u>	<u>1121</u>	<u>1138</u>	<u>1312</u>	<u>1410</u>	<u>1569</u>	<u>1298</u>
1982	1983	E*	Projected 1990**			
<u>1324</u>	<u>1334</u>	<u>-10</u>	<u>1589</u>			r=.65

**Tulare County (unincorporated)**

1975	1976	1977	1978	1979	1980	1981
<u>32960</u>	<u>33700</u>	<u>34000</u>	<u>35267</u>	<u>36194</u>	<u>37024</u>	<u>37447</u>
1982	1983	E*	Projected 1990**			
<u>38133</u>	<u>38507</u>	<u>-1857</u>	<u>43941</u>			r=..99

\* Error= predicted 1983 compared with the estimated 1983. All equations underpredicted the 1983 estimates.

\*\* The absolute value shown under E is added to the predicted 1990 figure to adjust the 1990 level. For purposes of the housing needs, the unincorporated households are the county projected households less the sum of the projected city households.

\*\*\* Farmersville projection recalculated to assume reduced household growth from implementation of sewer hookup moratorium during 1983 and 1984.

APPENDIX C

DEVELOPMENT FEES



## ENGINEERING FEES

<u>Activity</u>	<u>Fee</u>
Subdivision Map Filling Fee	- \$225 per subdivision map plus \$10 per lot (submit 30 copies of map)
Subdivision Map Checking & Improvement Inspection Fee	- 3% of estimated improvement costs
Parcel Map Filling Fee	- \$100 per parcel map plus \$20 per lot (submit 25 copies of map)
Parcel Map Checking & Improvement Inspection Fee	- 3% of estimated improvement costs
Parking Lot Inspection Fee	- 1¢ per square foot of paving with a \$40 minimum charge
Sidewalk Inspection Fee	- 10¢ per lineal foot with a \$10 minimum charge
Encroachment Permit Fee	- 10¢ per lineal foot with a \$10 minimum charge
Administrative Fee to place curb, gutter, sidewalk, alley, & sewer items on tax roll	- \$30 per tax roll item
Sale of Maps & Publications	- 10¢ per square foot of paper with a \$1 minimum charge
Storm Drainage Acreage Fees	- \$350 per acre of R-1 property
	- \$600 per acre of R-M property
	- \$1,100 per acre of C, M & PA properties
Sanitary Sewer Acreage Fees	- \$350 per acre of R-1 & PA properties
	- \$700 per acre of R-M-2 property
	- \$1400 per acre of R-M-3 property
	- \$350 per acre of C & M properties
Sanitary Sewer Lateral Fees	- \$9.90 per lineal foot of 4" lateral for R-1 property
	- \$14 per lineal foot of 4" lateral for M, PA, R-M & C properties
	- RM \$87.50 per unit cost
	- \$10.90 per lineal foot of 6" lateral for R-1 property
	- \$16 per lineal foot of 6" lateral for M, PA, R-M & C properties
Wye Fees	- \$30 per 4" wye
	- \$35 per 6" wye
Sanitary Sewer Connection Fee	- \$903.50 per R-1 lot
	- \$8 per front foot for PA, M, R-M & C properties
Fee for installing traffic signs & street name signs in new subdivision	- \$100 per sign

## PLANNING FEES

Conditional Uses		
Regular	- \$500	
PUD/PRD	- \$500	
Temporary	- \$10	1 bath \$100.00
Home Occupation	- \$10	2 baths \$138.00
Zone Changes	- \$500	3 baths \$176.00
Variances		4 baths \$214.00
Single Family	- \$100	
Other	- \$150	
Annexations	- \$500	
Environmental		
Negative Declaration	- \$75	
EIR	- \$500 minimum	



CITY OF VISALIA  
NORTHEAST DEVELOPMENT FEES

Base Rates:
\$1,107.40/unit on sewer
\$1,032.90/unit on septic

Project \_\_\_\_\_  
 Sewer Allocation \_\_\_\_\_  
 # of Units in Project \_\_\_\_\_  
 Sewer/Septic \_\_\_\_\_  
 Rate per Unit \_\_\_\_\_  
 Total Fees \_\_\_\_\_

<u>Account Numbers:</u>		<u>%</u>	<u>Amount</u>	<u>Description</u>
171-300-0000-1651	( 74.20)	( 6.7%)	_____	Sanitary Sewer
171-300-0000-1652	( 33.22)	( 3.0%)	_____	Storm Sewer
171-300-0000-1653	(317.82)	(28.7%)	_____	Storm Swales
171-300-0000-1654	(210.41)	(19.0%)	_____	Street Oversizing
171-300-0000-1655	(308.96)	(27.9%)	_____	Landscaping
171-300-0000-1656	(114.06)	(10.3%)	_____	Pedestrian Crossings
171-300-0000-1657	( 34.33)	( 3.1%)	_____	Sidewalk/Bikepath
171-300-0000-1658	( 8.86)	( .8%)	_____	Bridge
171-300-0000-1659	( 5.54)	( .5%)	_____	Study Cost
		TOTAL	_____	

## CITY OF VISALIA

## COMMUNITY DEVELOPMENT DEPT.

## THE BUILDING PERMIT FEE SCHEDULE

<u>TOTAL VALUATION</u>		<u>FEE</u>	<u>PLAN-CHECKING FEE</u>
\$1 to	\$500	\$ 10.04	\$ 6.50
501	600	11.54	7.48
601	700	13.05	8.45
701	800	14.56	9.43
801	900	16.06	10.40
901	1,000	17.57	11.38
1,001	1,100	19.08	12.35
1,101	1,200	20.58	13.33
1,201	1,300	22.09	14.30
1,301	1,400	23.60	15.28
1,401	1,500	25.11	16.25
1,501	1,600	26.61	17.23
1,601	1,700	28.12	18.20
1,701	1,800	29.63	19.18
1,801	1,900	31.13	20.15
1,901	2,000	32.64	21.13
2,001	3,000	38.71	25.03
3,001	4,000	44.78	28.93
4,001	5,000	50.85	32.83
5,001	6,000	56.92	36.73
6,001	7,000	62.99	40.63
7,001	8,000	69.06	44.53
8,001	9,000	75.13	48.43
9,001	10,000	81.20	52.33
10,001	11,000	87.27	56.23
11,001	12,000	93.34	60.13
12,001	13,000	99.41	64.03
13,001	14,000	105.48	67.93
14,001	15,000	111.55	71.83
15,001	16,000	117.62	75.83
16,001	17,000	123.69	79.63
17,001	18,000	129.76	83.53
18,001	19,000	135.83	87.43
19,001	20,000	141.91	91.33
20,001	21,000	147.97	95.23
21,001	22,000	154.04	99.13
22,001	23,000	160.11	103.03
23,001	24,000	166.18	106.93
24,001	25,000	172.25	110.83
25,001	26,000	176.82	113.75
26,001	27,000	181.39	116.67
27,001	28,000	185.96	119.60
28,001	29,000	190.53	122.52
29,001	30,000	195.10	125.45

NATIONAL ELECTRICAL CODE - 1978 EDITION

SCHEDULE OF FEES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VISALIA that the following schedule of fees be adopted:

For issuing permits, each-----	\$10.00
For work not covered on the original permit, supplementary issuing fee---	\$1.00
Dwellings, (for each 100 feet)-----	\$1.40
For services, 600 volts or less, not over 200 A, each-----	\$3.00
For each added 100 A-----	\$1.00
For services, above 600 volts, each-----	\$10.00
For each added 100 A-----	\$1.00
For wiring outlets at which current is used or controlled except services, sub-feeders and meter outlets:	
First 20 each-----	\$ .25
For each additional unit exceeding 20-----	\$ .15
For each 5 feet or fraction thereof of multi outlet assembly-----	\$ .15
For each 5 feet or fraction thereof of floor duct, bus duct or trolly duct-----	\$ .25
For each branch circuit-----	\$ .20
For fixtures, sockets or other lamp holding device, located more than 18" apart:	
First 20, each-----	\$ .25
For each additional unit exceeding 20-----	\$ .15
For sockets or receptacles located less than 18" apart, including wiring for same, each-----	\$ .15
For each motor:	
Not over 1 HP-----	\$1.25
Over 1 HP and not over 3 HP-----	\$2.00
Over 3 HP and not over 8 HP-----	\$2.50
Over 8 HP and not over 15 HP-----	\$3.50
Over 15 HP and not over 50 HP-----	\$5.00
Over 50 HP and not over 100 HP-----	\$10.00
Over 100 HP and not over 500 HP-----	\$15.00
Over 500 HP-----	\$15.00
Plus .10 per HP or KVA over	

For each generator, transformer, rectifier or welder, the fee shall be the same as that for a motor considering each KVA capacity as one horsepower.

For each motor generator set or frequency changer, the fee charged shall be 100% greater than for the motor alone.

<u>TOTAL VALUATION</u>		<u>FEE</u>	<u>PLAN-CHECKING FEE</u>
80,001	81,000	384.67	246.35
81,001	82,000	387.74	248.30
82,001	83,000	390.81	250.25
83,001	84,000	393.88	252.30
84,001	85,000	396.95	254.15
85,001	86,000	400.02	256.10
86,001	87,000	403.09	258.05
87,001	88,000	406.16	260.00
88,001	89,000	409.23	261.95
89,001	90,000	412.30	263.90
90,001	91,000	415.39	265.85
91,001	92,000	418.44	267.80
92,001	93,000	421.51	269.75
93,001	94,000	424.58	271.70
94,001	95,000	427.65	273.65
95,001	96,000	430.72	275.60
96,001	97,000	433.79	277.55
97,001	98,000	436.86	279.50
98,001	99,000	439.93	281.45
99,001	100,000	443.00	283.40
100,001 and up		\$443.00 for the first \$100,000 plus \$2.57 for each additional thousand or fraction thereof.	

See Section 304 (b), 1979 Uniform Bldg. Code. Plan-Check fee in the amount of 65% of the building permit fee will be charged when plans are required by the UBC, 1979 Ed., Sec. 302 (b).



<u>TOTAL VALUATION</u>		<u>FEE</u>	<u>PLAN-CHECKING FEE</u>
30,001	31,000	\$ 199.67	\$ 128.37
31,001	32,000	204.24	131.30
32,001	33,000	208.81	134.22
33,001	34,000	213.38	137.15
34,001	35,000	217.95	140.07
35,001	36,000	222.52	143.00
36,001	37,000	227.09	145.92
37,001	38,000	231.66	148.85
38,001	39,000	236.23	151.77
39,001	40,000	240.80	154.70
40,001	41,000	245.37	157.62
41,001	42,000	250.94	161.26
42,001	43,000	254.51	163.47
43,001	44,000	259.08	166.40
44,001	45,000	263.65	169.32
45,001	46,000	268.22	172.50
46,001	47,000	272.79	175.17
47,001	48,000	277.36	178.10
48,001	49,000	281.93	181.02
49,001	50,000	286.50	183.95
50,001	51,000	289.57	185.90
51,001	52,000	292.64	187.85
52,001	53,000	295.71	189.80
53,001	54,000	298.78	191.75
54,001	55,000	301.85	193.70
55,001	56,000	304.92	195.65
56,001	57,000	307.99	197.60
57,001	58,000	311.06	199.55
58,001	59,000	314.13	201.50
59,001	60,000	317.20	203.45
60,001	61,000	320.27	205.40
61,001	62,000	323.34	207.35
62,001	63,000	326.41	209.30
63,001	64,000	329.48	211.25
64,001	65,000	332.55	213.20
65,001	66,000	335.62	215.15
66,001	67,000	338.69	217.10
67,001	68,000	341.76	219.05
68,001	69,000	344.83	221.00
69,001	70,000	347.90	222.95
70,001	71,000	350.97	224.90
71,001	72,000	354.04	226.85
72,001	73,000	357.11	228.80
73,001	74,000	360.18	230.75
74,001	75,000	363.25	232.70
75,001	76,000	366.32	234.65
76,001	77,000	372.39	238.55
77,001	78,000	375.46	240.50
78,001	79,000	378.53	242.45
79,001	80,000	381.60	244.40

UNIFORM MECHANICAL CODE-1979 ED.

SCHEDULE OF FEES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VISALIA that the following schedule of fees be adopted: For the issuance of each permit.....		\$ 10.00
For issuing each supplemental permit.....		3.00
1. For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 Btu/h.....		\$ 6.00
2. For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance over 100,00 Btu/h.....		7.50
3. For the installation or relocation of each floor furnace, including vent....		6.00
4. For the installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater.....		6.00
5. For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit.....		3.00
6. For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption, or evaporative cooling system, including installation of controls regulated by this code.....		6.00
7. For the installation or relocation of each boiler or compressor to and including three horsepower, or each absorption system to and including 100,000 Btu/h.....		6.00
8. For the installation or relocation of each boiler or compressor over three horsepower to and including 15 horsepower, or each absorption system over 100,000 Btu/h and including 500,000 Btu/h.....		11.00
9. For the installation or relocation of each boiler or compressor over 15 horsepower to and including 30 horsepower, or each absorption system over 500,000 Btu/h to and including 1,000,000 Btu/h.....		15.00
10. For the installation or relocation of each boiler or compressor over 30 horsepower to and including 50 horsepower, or for each absorption system over 1,000,000 Btu/h to and including 1,750,000 Btu/h.....		22.50
11. For the installation or relocation of each boiler or refrigeration compressor over 50 horsepower, or each absorption system over 1,750,000 Btu/h.....		37.50
12. For each air-handling unit to and including 10,000 cubic feet per minute, including ducts attached thereto.....		4.50
NOTE: This fee shall not apply to an air-handling unit which is a portion of a factory-assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in this code.		
13. For each air-handling unit over 10,000 cfm.....		7.50
14. For each evaporative cooler other than portable type.....		4.50
15. For each ventilation fan connected to a single duct.....		3.00
16. For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit.....		4.50
17. For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood.....		4.50
18. For the installation or relocation of each domestic-type incinerator.....		7.50
19. For the installation or relocation of each commercial or industrial-type incinerator.....		30.00
20. For each appliance or piece of equipment regulated by this code but not classed in other appliance categories, or for which no other fee is listed in this code.....		4.50

NATIONAL ELECTRICAL CODE-continued

For each high intensity discharge lamp(including transformer) and equipment:

For first fixture----- \$1.00  
For each additional fixture----- \$ .50

For each projection machine, dissolver, etc.----- \$2.50

For each range, water heater or clother dryer installation----- \$1.50

For each stationary cooking unit, oven, garbage disposer, dishwasher, automatic washer, fixed motor operated appliance not exceeding 1/2 HP in rating----- \$1.00

For all other heat installations, resistance or infra-red, etc., per K.W.----- \$ .20

For each electric sign, 25 lamps or less----- \$2.00

For each electric sign, 26 lamps and over----- \$3.00

For each electric sign or outline lighting installation, luminous gas type with 1 to 4 transformers----- \$5.00  
Additional transformers, each----- \$1.00

For each X-Ray unit and its appurtenances----- \$10.00/hr.

For single-family dwelling on new construction work, the following flat rate shall apply; this will include service, all outlets, range, dryer and any other miscellaneous circuits----- \$1.40  
per 100 sq. ft.

220 VOLTS

15 Amp. Outlet same as 2 HP motor  
20 Amp. Outlet same as 3 HP motor  
30 Amp. Outlet same as 5 HP motor  
50 Amp. Outlet same as 10 HP motor

For each extra inspection made necessary by defective workmanship or materials----- \$7.50

For the inspection of any electrical equipment for which no fee is herein prescribed for, the time consumed per hour----- \$10.00

With minimum charge 1/2 hour or less----- \$5.00

UNIFORM MECHANICAL CODE-1979 Ed. (Cont.)

21. When Chapter 22 is applicable (see Section 103), permit fees for fuel-gas piping shall be as follows:

For each gas-piping system of one to four outlets.....	2.00
For each gas-piping system of more than four outlets, per outlet.....	.50

Other Inspections and Fees:

1. Inspections outside of normal business hours.....\$15.00 / per hour  
(minimum charge-two (2) hrs.)
2. Reinspection fee assessed under provisions of  
Section 305(f).....\$15.00 each
3. Inspections for which no fee is specifically  
indicated.....\$15.00 / per hour  
(minimum charge-one-half hour)
4. Additional plan review required by changes, additions or  
revisions to approved plans.....\$15.00 / per hour  
(minimum charge-one-half hour)



UNIFORM PLUMBING CODE-1979 EDITION

SCHEDULE OF FEES

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF VISALIA that the following fee schedule be adopted:

For issuing each permit-----	\$3.00
In Addition	
For each plumbing fixture or trap or set of fixtures on one trap (including water, drainage piping and backflow protection therefor)-----	2.00
For each building sewer and each trailer park sewer-----	5.00
Rainwater systems - per drain (inside building)-----	2.00
For each cesspool-----	5.00
For each private sewage disposal system-----	10.00
For each water heater and/or vent-----	2.00
For each gas piping system of one (1) to four (4) outlets----	2.00
For each gas piping system of five (5) or more per outlet----	.50
For each industrial waste pre-treatment interceptor, including its trap and vent, excepting kitchen type grease interceptors functioning as fixture traps-----	2.00
For installation, alteration or repair of water piping and/or water treating equipment-----	2.00
For repair or alteration of drainage or vent piping-----	2.00
For each lawn sprinkler system on any one meter, including backflow protection devices therefor-----	2.00
For vacuum breakers or backflow protective devices on tanks, vats, etc. or for installation on unprotected plumbing fixtures, including necessary water piping - one (1) to four (4)-----	2.00
Five (5) or more, each-----	.50

APPENDIX D

CITY ORDINANCES - GARAGE CONVERSIONS AND  
SECOND DWELLING UNITS



ORDINANCE 8305

AMENDING ARTICLE 14 OF THE ORDINANCE CODE  
BY ADDING SECTIONS 7490 - 7494, GARAGE  
CONVERSIONS

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA:

Section 1. Article 14 of the Ordinance Code of the City of Visalia is hereby amended by adding Sections 7490 - 7494 pertaining to garage conversions as follows:

- SEC. 7490      PURPOSE AND INTENT. It is the purpose of this Ordinance to allow, in limited cases, the conversion of garages and carports for living space. Such conversion is deemed acceptable subject to review of available off-street parking and compatibility with surrounding development.
- SEC. 7491      APPLICABILITY. Provisions of this Ordinance shall only apply in cases as follows:
- A. The site is being used as a single-family, detached, residence with a minimum lot size of 5,000 square feet.
  - B. That the area converted shall be used as part of the main dwelling and shall not be used as a separate dwelling unit.
  - C. That the area to be converted shall be subject to all applicable building code requirements.
  - D. Provisions of this Ordinance shall not apply to Planned Developments approved under Article 11.
  - E. That the site be owner occupied and that such ownership shall have been in effect for a minimum of 12 months prior to approval of a conversion under this ordinance.
- SEC. 7492      PROCESS. All applications for garage or carport conversions shall be subject to approval of a Planned Development Permit pursuant to Article 12 of the Zoning Regulations. Applications for garage or carport conversion may be referred to the Planning Commission by the Site Plan Committee.
- SEC. 7493      CONVERSION CRITERIA. Garage or carport conversions are subject to the following criteria:
- A. The exterior elevation of the conversion shall be compatible in design with the existing dwelling.



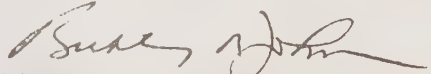
B. Provision for buffering, such as a planter, shall be provided between the converted carport or garage and the remaining parking area.

C. The remaining parking area shall have a minimum depth of eighteen (18) feet from property line with access to be approved by the Site Plan Committee.


SEC. 7494 APPEALS. Interested individuals may appeal the decision of the Site Plan Committee to the Planning Commission as set forth in Section 7426 of the Zoning Regulations.

Section 2. This Ordinance shall become effective 30 days after passage hereof.

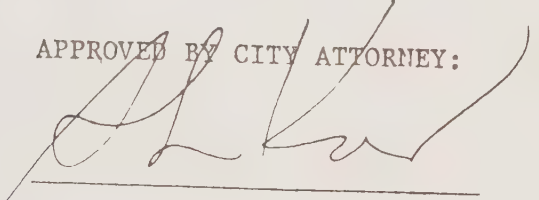
PASSED AND ADOPTED: February 22, 1983

  
BERKLEY R. JOHNSON, MAYOR

ATTEST:

  
DONNA HALL, CITY CLERK

APPROVED BY CITY ATTORNEY:

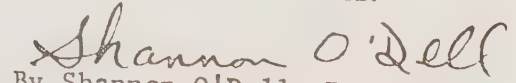


STATE OF CALIFORNIA)  
COUNTY OF TULARE ) ss.  
CITY OF VISALIA )

I, Donna Hall, City Clerk of the City of Visalia, certify the foregoing is the full and true Ordinance 8305 passed and adopted by the Council of the City of Visalia at a regular meeting held on February 22, 1983 and certify a summary of this ordinance has been published in the Visalia Times Delta.

Dated February 28, 1983

DONNA HALL, CITY CLERK

  
By Shannon O'Dell, Deputy

ORDINANCE NO. 8328

AMENDING ARTICLES 4, 5, 6, 6.1, AND 19  
OF CHAPTER 17 OF THE ORDINANCE CODE  
(ZONING REGULATIONS) BY ADDING SECTIONS  
7236.9, 7253.12, 7271.11, 7283, 7286(1)(f),  
AND AMENDING SECTIONS 7556 AND 7558, SECOND DWELLING UNITS

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VISALIA:

Section 1. Articles 4, 5, 6, 6.1, and 19 of Chapter 17 of the Ordinance Code of the City of Visalia (Zoning Regulations) are hereby amended by adding Sections 7236.9, 7253.12, 7271.11, 7283, 7286(1)(f), and amending Sections 7556 and 7558, pertaining to second dwelling units as follows:

SEC. 7236. PERMITTED USES

9. Second dwelling units as specified in Section 7283.

SEC. 7253. PERMITTED USES

12. Second dwelling units as specified in Section 7283.

SEC. 7271. PERMITTED USES

11. Second dwelling units as specified in Section 7283.

SEC. 7286. USES

1. Permitted Uses.

(f) Second dwelling units as specified in Section 7283.

SEC. 7283. SECOND DWELLING UNITS

A. PURPOSE AND INTENT. It is the purpose of this Ordinance to provide for the following;

1. To allow older and/or physically or developmentally handicapped individuals and households a source of housing which provides for their specialized needs through close proximity to friends or relatives while maintaining independent living quarters;
2. To allow older homeowners a means of obtaining, through tenants and second dwelling units, an additional source of income, companionship, security, and services;
3. To add inexpensive rental units to the housing stock of the City of Visalia;
4. To create homeownership opportunities for moderate income households who might otherwise be excluded from the housing market, through the additional income derived from second dwelling units;

5. Develop housing in single family neighborhoods which is appropriate for a variety of stages in the household life cycle, thereby lessening fluctuations in neighborhood demand for public services;
6. Protect the stability, property values, and character of single family residential neighborhoods by insuring that second dwelling units are subject to the standards which follow.

B. DEFINITIONS.

Principal Dwelling Unit. A single family dwelling unit situated on a residential lot in the A, RA, or R-1 zones to which a second dwelling unit as defined by this Ordinance has been or is proposed to be added.

Second Dwelling Unit. An additional dwelling unit having separate kitchen, sleeping, and sanitation facilities constructed or adopted within, onto, or detached from a single family dwelling on a residential lot in the A, RA, or R-1 zones.

- C. GENERAL PROVISIONS. A second dwelling unit may be established by the conversion of an attic, basement, garage, or other portion of a principle dwelling unit. A detached second dwelling unit may be established by the conversion of an accessory structure or may be new construction. All applications for second dwelling units, whether processed as a permitted use or an exception, must comply with the general provisions stated below.

1. Second dwelling units shall only be allowed on lots located in the A, RA, and R-1 zones.
2. In no case shall more than one (1) second dwelling unit be placed on the same lot or parcel.
3. Second dwelling units shall be subject to all applicable building, fire, health, and safety codes.
4. Second dwelling units may be mobile homes, provided that such units are subject to all applicable standards of Article 14 of the Zoning Ordinance, governing the placement of mobile homes on single family lots.
5. A covenant running with the land between the City and the applicant shall be recorded with the Tulare County Recorder prior to the issuance of any building permits requiring that: (a) either the primary or the proposed second dwelling unit shall be occupied by the owner of record; and (b) the proposed second dwelling unit shall be occupied by no more than two (2) persons over eighteen years of age.
6. The second dwelling unit shall be clearly subordinate to the principal dwelling unit by size, location, and appearance.
7. The second unit's scale, appearance, and character shall be similar to and compatible in design with the principal dwelling

unit and adjacent residences; the Site Plan Review Committee and/or the Planning Commission shall have authority to grant or deny applications for second dwelling units based upon design and aesthetic criteria, as well as the other provisions and criteria of this Ordinance.

8. In no case shall any second dwelling unit be approved on a site on which the principal dwelling unit has been the subject of a garage conversion pursuant to the regulations of Article 14 of the Zoning Ordinance governing such conversions.
- D. PROCESS. Applications for second dwelling units meeting the criteria stated below shall be subject to approval of a Planned Development Permit pursuant to Article 12 of the Zoning Ordinance. Such applications may be referred to the Planning Commission by the Site Plan Review Committee. All other applications for second dwelling units shall be subject to approval of an Exception pursuant to Article 19 of the Zoning Ordinance. Second dwelling units permitted as exceptions shall be subject to any such condition as deemed appropriate by the Planning Commission to further the purposes of this Ordinance. If specified by the Planning Commission under the Exception process, second dwelling units may deviate from normal zoning district standards, including setbacks, coverage and height limitations.
- E. DEVELOPMENT CRITERIA FOR PLANNED DEVELOPMENT PERMITS. The following development criteria shall apply to second dwelling units approved by Planned Development Permits.
  1. Second dwelling units shall have a maximum of 850 sq. ft. of floor area and shall contain no more than two (2) bedrooms.
  2. Adequate parking area must be available on the streets adjacent to the second dwelling unit. If, in the opinion of the Site Plan Review Committee, adequate on-street parking is not available in the immediate vicinity, or in the case of all second units located on cul-de-sac lots, one (1) additional off street parking space must be provided. Tandem parking shall not be deemed as meeting the above parking requirement.
  3. Second dwelling units may only be constructed on lots or parcels which are at least 6,000 sq. ft. in area.
  4. At least one (1) occupant of either the principal or the second dwelling unit must be 55 years of age or older, or be physically or developmentally handicapped as defined by Subpart 84.3, Title 45 of the Federal Public Welfare Code, Rehabilitation Act of 1973. Applicants must certify in writing that the foregoing condition will be met. Prior to the issuance of any building permit, a covenant running with the land between the City and the applicant shall be recorded with the Tulare County Recorder requiring that the foregoing condition be met.



5. All standards of the underlying zoning district including, but not limited to, height, lot and yard requirements, and lot coverage shall apply.
  6. Detached second dwelling units are subject to all applicable standards for accessory structures, as stated in Article 14 of the Zoning Ordinance, unless an exception is granted by the Planning Commission under the Conditional Use Permit process.
- F. APPEALS. Interested individuals may appeal the decision of the Site Plan Review Committee to the Planning Commission as set forth in Article 12 of the Zoning Ordinance. In cases where second dwelling units are applied for as exceptions, decisions of the Planning Commission may be appealed to the City Council as set forth in Article 19 of the Zoning Ordinance.
- G. EXISTING NON-CONFORMING SECOND DWELLING UNITS. An existing second dwelling unit situated on a lot or parcel in the A, RA, or R-1 zones shall constitute a violation of this Ordinance unless (1) a Planned Development Permit or Exception is granted for such second dwelling unit pursuant to the provisions of this Ordinance; or (2) the second dwelling unit qualifies as a permitted non-conforming use and structure under the provisions of Article 18 of the Zoning Ordinance.

SEC. 7556. EXCEPTION PURPOSES. The Planning Commission may grant exceptions to ordinance requirements where there is a justifiable cause or reason, provided, however, that it does not constitute a grant of special privilege inconsistent with the provisions and intentions of this Ordinance.

SEC. 7558. EXCEPTION POWERS OF CITY PLANNING COMMISSION. The City Planning Commission may grant exceptions to the regulations prescribed in this ordinance with respect to second dwelling units, pursuant to Section 7283, fences, walls, and upon recommendation of the Historic Preservation Advisory Board, site area, width, frontage, coverage, front yard, rear yard, side yards, height of structures, distance between structures and off-street parking facilities, consistent with the provisions and intentions of this Ordinance.

PASSED AND ADOPTED 12/19/83

APPENDIX E

CORRESPONDENCE AND HOUSING TASK FORCE  
RECOMMENDATIONS REGARDING FHA AND  
DEPARTMENT OF REAL ESTATE PROCESSING



October 20, 1983

Dear Members of Commission and Staff:

In recent weeks there have been numerous conversations stemming from the fact that common interest subdivisions, particularly higher density developments are discriminated against by various agencies.

During one of my recent conversations with Al Pearson, he expressed a desire to have copies of the compliance letter from the Department of Housing. It should be noted that neither River Oak Park II or River Oak Park III have stand alone common interest property. But the compliance letter on River Oak Park II did have a 51% presale requirement prior to receiving FHA Mortgage Insurance. However, this requirement was removed in River Oak Park III. For that matter, I can recall only one subdivision with common interest that proceeded with FHA Mortgage Insurance in the entire city in the last five years. TWIN OAKS.

We have made arrangements to start FHA compliance processing on CASTLEWOOD (Southeast), and we are waiting the outcome of the open space question prior to submitting another phase of River Oak Park.

There are many facets of development processing and over zealous regulations, but I can think of none more fatal than a presale requirement of 51% prior to closing the first loan, especially in mid-range markets; or in the presence of unpredictable economic conditions.

I do intend to supply you at a later date with a typical requirements letter on a PRD (common interest subdivision). I appreciate your time on this matter and if I can be of any further assistance, please call.



Don Fulbright

Enclosures:

- ROP II - Conditional approval HUD
- ROP II - Hornburg's letter to HUD
- ROP II - Satisfactory compliance
- Standard requirements for standard subdivisions
- (NOTE: We will send one at a later date on common interest subdivisions)
- ROP III - Conditional approval for HUD

DF/dd

MAILING OFFICE • 32557 RD. 138 • VISALIA, CA 93291 • (209) 625-5544

SALES: RIVER OAK PARK • 2010 E. BUENA VISTA • VISALIA, CA 93291 • (209) 625-1656

SALES: CASTLEWOOD • BEN MADDOX AT WALNUT • VISALIA, CA 93277 • (209) 625-1656





DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FRESNO SERVICE OFFICE  
1315 VAN NESS AVENUE, SUITE 200  
FRESNO, CALIFORNIA 93721

REGION IX

September 22, 1981

IN REPLY REFER TO:

Jerry Chadwick  
Subdivision Appraiser  
(209) 487-5040

Sponsors/Developers Doing Business in the City of Visalia

Subject: Conditional Local Area Certification

We have completed our study and conditionally certified the City of Visalia for HUD/FHA Subdivision processing. We will accept Single-Family detached subdivision processing by the City of Visalia except for the following. We will continue to review soils reports and the site for hazards, endangered species, noise, flooding, historical preservation/archeological sites.

Since your jurisdiction has been conditionally certified, the Fresno Service Office will require the following exhibits prior to the acceptance of applications for Mortgage Insurance in new, existing or partially completed single family detached subdivisions with 25 lots or more:

- These*
1. Application for Environmental Review, HUD Form 92250. ✓
  2. Location map of subdivision. (2 copies) ✓
  3. Subdivision plat certified by engineer to be in final form ready for recording or copy of recorded plat with certifications. (2 copies) ✓ *MK.*
  4. Copy of recorded protective covenants or protective covenants certified to be in final form. (1 copy) *Plus Homeowner Association Draft Final*
  5. Master plot plan which includes block and street grading, drainage information and location and detail of subdivision improvements such as walls, fences, screen planting if any. (Must have the engineer's certification to be in final form or final approval by the City of Visalia.) (2 copies) *MK*
  6. Preliminary title report. (1 copy) ✓
  7. Equal Employment Certification. HUD Form 92010. (1 copy) ✓
  8. Affirmative Fair Housing Marketing Plan (HUD Form 935.2) ✓

HUD/FHA environmental review will be required on the following items:

1. Soils Report: A professional evaluation of the subsurface soils conditions is required as part of HUD subdivision analysis. The purpose of the evaluation is to provide: (1) General and specific information about the geology and subsurface conditions at the site; (2) foundation design recommendations and (3) laboratory analysis to support and supplement the findings

and recommendations of the report. Where unusual geologic or soils conditions are present, additional information and analysis is required to address the impact of those conditions on the development of the site.

Because of the general uniformity of soils and geologic conditions within the City of Visalia, a full scale subsurface soils investigation will not be required. Instead, a report containing the following information will be satisfactory: (Must be prepared by licensed soils or civil engineer)

- a. A general geologic description of the site.
  - b. At least one test boring to determine actual subsurface soils conditions. (additional borings may be required if uniformity of soils is questioned by soils engineer)
  - c. A log of the test boring(s) including description of soils based on the uniform classification system.
  - d. Groundwater level.
  - e. Field and/or laboratory tests for density, bearing capacity, expansion and shrinkage, shear, compressibility, moisture content, and sulfate levels.
  - f. Foundation design recommendations related to proposed building type.
  - g. Recommendations for site grading work including fill, compaction, etc.
2. Hazards - Man made and natural
  3. Endangered species
  4. Noise
  5. Flooding
  6. Historical preservation/archeological sites

Planned Unit Development type (PUD) subdivisions with fee simple owned lots, common area property and homeowners associations, and condominiums (stacked units with undivided interest in the common area) require a site plan review prior to receipt of formal applications. Please contact our Subdivision Section at (209) 487-5040 to arrange this pre-application meeting.

NOTE: HUD can not delegate the environmental review for flooding, historical preservation/archeological sites. Any proposal submitted to HUD where all or part of the site is within the 100 year flood plain must be addressed in accordance with Executive Order 11988. If the proposal lies with 1000 feet of a river, stream or creek we must require a Regional Archeological Report.

#### General

You will be notified when the exhibits are approved. Any special conditions required by HUD will be on our Notification Letter.

Prior to the insuring of any mortgages, a Subdivision Compliance Inspection may be made. The inspection will verify satisfactory completion of all items shown on the Master Plot Plan or any special conditions on our Notification Letter or conditions imposed by the appraiser.

Upon satisfactory completion, a letter of Final Subdivision Acceptance will be issued by our office.

Sincerely,

A handwritten signature in dark ink, appearing to read 'E. R. Huizenga', with a long horizontal flourish extending to the right.

E. R. Huizenga  
Service Office Supervisor



*For Fullbright*

U.S. Department of Housing and Urban Development  
Fresno Service Office, Region IX  
1315 Van Ness Avenue, Suite 200  
Fresno, California 93721

September 20, 1982

Old Town Builders, Inc.  
32557 Road 138  
Visalia, CA 93277

Gentlemen:

SUBJECT: River Oak Park #2  
Visalia, California  
F-1781

In accordance with the Conditional Local Area Certification, HUD has approved your submitted exhibits. We will now accept formal applications for commitment under our Master Conditional Commitment Procedure. All commitments issued will be subject to compliance with the following conditions:

1. Prior to start of construction site layout, landscape plans, building plans and specifications, and all other applicable drawings must have final HUD/FHA approval.
2. Prior to start of construction submit final draft of your Articles of Incorporation, By-Laws, Conditions, Covenants, and Restrictions, and budget for our approval. Your conditional Covenants and Restrictions must address the following:
  - a. The developer must landscape all common areas and the front yards of all dwellings. The Homeowner's Association must maintain all common areas and the front yards of all dwellings. The Homeowner's Association must be deeded an easement to allow front yard maintenance and the CC&R's must provide for front yard maintenance.
  - b. The CC&R's should contain the following: The River Oak Park Homeowner's Association will contract with a professional management agent for management services. The management agent's duties shall include but not be limited to the following:
    - (1) The agent shall attend the Association's Board of Directors meetings when requested.
    - (2) The agent shall provide maintenance of the common areas and the front yard landscape areas.
    - (3) The agent shall arrange and attend the annual Homeowner's Association meetings.

?



- (4) The agent shall collect all monies due the Association, pay all approved Association debts when due, provide the Association with a Fidelity Bond for handling Association monies, and deposit all monies in separate bank accounts in the Association's name.
- (5) The agent shall provide quarterly and annual accountings to the Association and keep and maintain book-keeping records of all Association financial activities and have these records available to members of the Board of Directors of the Association on reasonable notice.
- (6) The agent shall, subject to approval of the Association, make contracts for water, electricity, gas, telephone, vermin extermination, and other necessary services as the association shall deem advisable.
- (7) The agent, when authorized by the Association in writing, shall place in force all forms of insurance needed to adequately protect the Association and its members.
- (8) The agent shall prepare for execution and filing by the Association all forms, reports, and returns required by law.
- (9) The agent at least 60 days before the beginning of the fiscal year, shall prepare an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year for approval by the Association's Board of Directors and members.
- (10) The agent shall see that all association members are informed with respect to such rules, regulations, and notices as may be promulgated by the Association from time to time.

The management agreement may be terminated by mutual consent of the parties as of the end of any calendar month. But not without prior written notice to the consenting party. Upon termination of the management agreement the contracting parties shall account to each other with respect to all matters outstanding as of the date of termination.

Upon notice of termination of the management agreement the Association will submit a request for bids to other professional management agents and will within 60 days from receipt of notice of termination select a new professional management firm and execute a management agreement.

3. Prior to closing of first sale, submit certified copies of recorded By-Laws, Articles of Incorporation and Declaration of Covenants, Conditions and Restrictions, together with sales brochure, all conforming to previously accepted drafts.

4. Prior to closing of first sale, submit an executed conveyance carrying recording data evidencing that all common areas have been conveyed to the Homes Association. There must also be evidence in the form of a title policy or attorney's opinion that the title has been conveyed and is free and clear of encumbrances.
5. Acknowledgement of receipt of complete "as built" plans by the Board of Directors.
6. Closing papers may not be submitted for insurance endorsement without prior approval of this office. Such approval will be given upon submission of evidence that 51 percent of properties have been sold to owner-occupants. To establish sales we will require the following: 1) FHA: Name, case number and date of firm commitment. 2) VA: Name, case number and letter of approval. 3) Conventional: Name, case number and mortgagee's certification of approval. In the event any sales are all cash, please provide a copy of escrow instructions or evidence of availability of funds to consummate the transaction.

NOTE: Submit the Monthly Sales Report, HUD Form 935.1, to the Equal Opportunity Division as soon as sales begin.

Prior to the insuring of any mortgage, a subdivision compliance inspection may be made. The inspection will verify satisfactory completion of all items shown on the master plot plan or any special conditions on this letter or conditions imposed by the appraiser. Upon satisfactory completion, a letter of final subdivision acceptance will be issued by our office.

This letter is void if satisfactory compliance is not demonstrated within one year. Please indicate your concurrence by signing and returning the attached copy.

If you have any question, please call Jerry Chadwick at (208) 487-5040.

Sincerely,



Karl Angler  
Chief, Valuation Branch

Enclosure

Concurrence \_\_\_\_\_  
Sponsor \_\_\_\_\_ Date \_\_\_\_\_

KLOSTER, RUDDELL, HORNBURG & COCHRAN

ERLING H. KLOSTER  
GARY H. RUDDELL  
PHILIP T. HORNBURG  
RICHARD H. COCHRAN  
GLENN A. STANTON

ATTORNEYS AT LAW

2929 WEST MAIN STREET  
SUITE A  
VISALIA, CALIFORNIA 93291  
(209) 733-5770

March 28, 1983

Jerry Chadwick  
Department of Housing  
and Urban Development  
1315 Van Ness Avenue, Suite 200  
Fresno, CA 93721

Re: River Oak Park No. 2  
Visalia, California

Dear Mr. Chadwick:

We recently had a conversation with Mr. Angler of your office in which certain provisions required by the Department of Real Estate for a plan development would be omitted so that River Oak Park would not require Department of Real Estate approval and the subdivision rules would apply.

There still would be a homeowners association that would take care of maintaining the front yards and roofs of the buildings. We enclose the following documents for your review in establishing River Oak Park and River Oak Park Association:

- 1) Declaration of Covenants, Conditions and Restrictions of River Oak Park No. 2;
- 2) Articles of Incorporation of River Oak Park Townhomes of Visalia;
- 3) Bylaws of River Oak Park Townhomes of Visalia. ?

Hopefully this will complete your file so that this matter can proceed.

If you have any further questions, feel free to contact this office.

Very truly yours,

Philip T. Hornburg

PTH:kmp  
Enclosures

E9



U.S. Department of Housing and Urban Development  
Fresno Service Office, Region IX  
1315 Van Ness Street  
Fresno, California 93721

Old Town Builders, Inc.  
32557 Road 138  
Visalia, CA 93277

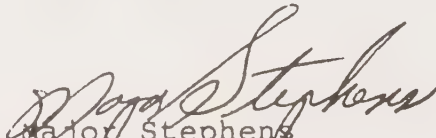
Gentlemen:

Subject: ASP F-1781  
Subdivision Name: River Oak Park #2  
Location: Visalia, CA - Tulare County

Satisfactory compliance with all items required by our letter of September 2, 1982 has been received and we enclose our Final Subdivision Compliance Inspection Report dated June 6, 1983.

We will now insure home loans on properties meeting commitment conditions in this subdivision.

Sincerely,

  
Major Stephens  
Construction Analyst

Enclosure

JUN 30 '83





U.S. Department of Housing and Urban Development  
Fresno Service Office, Region IX  
1315 Van Ness Street, Suite 200  
Fresno, California 93721

August 31, 1983

Old Town Builders  
32557 Road 138  
Visalia, CA 93277

Gentlemen:

SUBJECT: River Oak Park III  
Visalia, California  
FHA File No. F-1849

In accordance with the Conditional Local Area Certification, HUD has approved your submitted exhibits. We will now accept formal applications for commitments under our Master Conditional Commitment Procedure. All commitments issued will be subject to compliance with the following condition:

1. Prior to closing of first sale, submit certified copies of recorded By-Laws, Articles of Incorporation and Declaration of Covenants, Conditions and Restrictions, all conforming to previously accepted drafts.
2. Prior to closing of first sale, submit an executed conveyance carrying recording data evidencing that all common areas have been conveyed to the Homes Association. There must also be evidence in the form of a title policy or attorney's opinion that the title has been conveyed and is free and clear of encumbrances.
3. Acknowledgement of receipt of complete "as built" plans by the Board of Directors.

NOTE: Submit the Monthly Sales Report, HUD Form 935.1, to the Equal Opportunity Division as soon as sales begin. As soon as all contracts have been let submit a Minority business participation performance statement. Enclosed is a suggested format that may be used.

Prior to the insuring of any mortgage, a subdivision compliance inspection may be made. The inspection will verify satisfactory completion of all items shown on the

master plot plan or any special conditions on this letter or conditions imposed by the appraiser. Upon satisfactory completion, a letter of final subdivision acceptance will be issued by our office.

This letter is void if satisfactory compliance is not demonstrated within one year. Please indicate your concurrence by signing and returning the attached copy.

If you have any questions, please call Jerry Chadwick at (209) 487-5040.

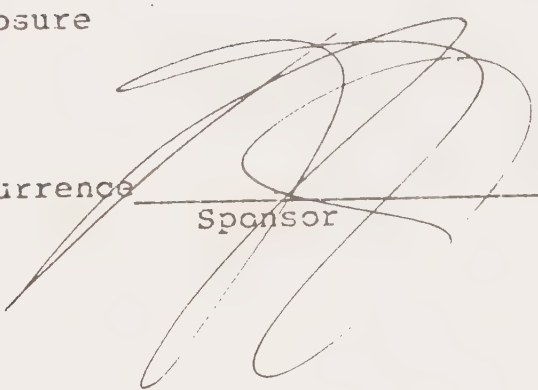
Sincerely,



*KAR* Karl Angler  
Chief, Valuation Branch

Enclosure

Concurrence



Sponsor

Sept 2, 1983  
Date



## APPENDIX F

### NEIGHBORHOOD HOUSING SERVICES PROGRAM SUMMARY





Kate Little  
Ed Moeller  
April 14, 1981

INTERNATIONAL SYSTEMS, INC.  
PROGRAM SUMMARY

NEIGHBORHOOD PRESERVATION PROJECTS (NPP)  
NRC

Deadlines: None

PROGRAM  
PURPOSE

GENERAL: To seek out and assist promising locally developed neighborhood programs which are succeeding in stemming the decline of deteriorating areas.

SPECIFIC: To provide grants and technical assistance to identify, monitor, evaluate, and eventually replicate successful preservation strategies to reverse decline in residential neighborhoods.

ELIGIBLE  
APPLICANTS

Cities or other governmental jurisdictions or non-public entities who wish to have an activity considered for selection.

INTENDED  
BENEFICIARIES

Moderate-income persons in declining neighborhoods.

CURRENT  
FUNDING

Between 10 and 15 Neighborhood Preservation Projects will receive technical assistance and modest grants (\$30,000 to \$40,000) in FY81. Approximately \$600,000 has been set aside for this effort. An equal number of groups will receive technical assistance to replicate successful Neighborhood Preservation Projects.

FUNDING  
HISTORY

In 1974 the ad hoc Urban Reinvestment Task Force was formed to promote neighborhood revitalization by developing partnerships between lending institutions, neighborhood residents and city officials. In 1978 the task force was incorporated as a nonprofit public corporation--the Neighborhood Reinvestment Corporation. Federal contributions in FY79 amounted to about \$10 million. The Corporation received direct appropriations of \$12 million in FY80 and \$12.5 million in FY81. The FY82 budget request is \$15 million. Ten new NPP programs were supported in FY80 nine in FY79, five in FY78 and 17 prior to FY78.

ELIGIBLE  
ACTIVITIES

Locally developed innovative projects which show promise of reversing the decline in residential neighborhoods receive assistance from NPPC. Applicants are sought in the following areas:

1. displacement of residents of neighborhoods experiencing rapidly increasing housing costs;
2. rental housing strategies involving neighborhood-control management and maintenance properties serving low- and moderate-income renters;
3. property management services that help stabilize apartment buildings of 5-50 units;
4. property management training programs for resident owners of 2-6 unit properties;
5. strategies for revitalization of neighborhood commercial areas;
6. strategies to redesign and convert economically obsolete commercial or other buildings to new uses;
7. strategies to address resident's concerns with personal safety or property security;
8. programs integrating energy conservation techniques into housing rehabilitation programs;
9. strategies to deal with vacant lots and blighted parcels of land;
10. cooperative or condominium conversion mechanisms benefiting the present low- and moderate-income residents of neighborhoods;
11. strategies to improve schools, using the partnership concept in a neighborhood setting.

Other program areas may be supported if they can be shown to be a part of a comprehensive neighborhood revitalization strategy.

NPP is a three stage process. In the initial phase projects receive technical assistance and grants, and their potential for being transferred to other cities is evaluated. In the second phase, projects are replicated in one or more locations to work out a systematic development process. Now projects have entered the third phase which will involve giving technical assistance to cities across the nation to replicate successful projects.

PREFERRED  
PROJECTS

Seven projects have entered the second pilot replication phase. The Apartment Improvement Program, developed in Yonkers, NY, has been replicated in three others. This program joins the city, financial institutions, property owners, tenants, and neighborhood organizations in a partnership to upgrade large apartment buildings which exert a blighting influence on their neighborhoods. A computerized Real Estate Investment Analysis Model is used to analyze the current and projected financial operations of building. An individually tailored improvement plan is then developed which include techniques such as tax reassessment and deferral, tenant participation, and restructured mortgages.

The Home Ownership Promotion program encourages the sale of absentee owned and vacant properties to neighborhood tenants. Code enforcement, intensive marketing, and city, state and NHS loan funds are used to increase homeownership in target neighborhoods.

- In the Rehabilitation and Sale program, blighted and abandoned buildings are purchased by a nonprofit developer, rehabilitated and sold.

→ California financial institutions have developed a state-wide NHS Foundation which provides 75% of the operating costs of local NHS programs. Work has begun to replicate this program in New Jersey.

The Insurance Industry Full Partnership brings the insurance industry into the NHS and assists neighborhood residents in obtaining voluntary standard insurance coverage.

Applications will be evaluated according to the following factors:

1. The project should involve a partnership of neighborhood residents, the private sector, and local government.
2. Preference will be given to projects that are operational.
3. The projects should be specific to a neighborhood or neighborhoods, and should be demonstrating success in upgrading that/those neighborhood(s).
4. Local governments should be willing to allocate financial resources and technical assistance to the project.
5. Those responsible for the implementation of the project should have a demonstrated capability to perform successfully in the area of neighborhood preservation.
6. The project sponsors should be willing to provide information which can be analyzed by Neighborhood Reinvestment or its participating agencies to judge the effectiveness of the project. Sponsors should also be willing to cooperate with the Neighborhood Reinvestment Corporation in assisting others who may wish to replicate their project.

#### RATING CRITERIA

#### APPLICATION REQUIREMENTS

Applications should include:

1. definition of problem;
2. description of the program including the resources involved, program management and schedule of first year key activities and events;
3. description of the target neighborhood including housing information;
4. eligibility as an NPP including information addressing rating criteria; and
5. budget estimates including outside funding and proposed uses of NRC funds.



Applications may be submitted to the NRC Washington office at any time. Promising applicants will undergo a field review. Applications will then be ranked according to the promise as demonstrations, and agreements will be entered into with the top-ranking applicants.

No CFDA number .24 CFR, Parts 4100-4104  
Final regulations were published in the Federal Register  
on November 20, 1979.

The Neighborhood Reinvestment Corporation Act, Title VI of the Housing and Community Development Amendments of 1978, PL 95-557.

APPENDIX G

STAFF MEMO TO HOUSING TASK FORCE



## STATUS OF TASK FORCE RECOMMENDATIONS

The Housing Task Force recommended a specific list of actions to facilitate providing affordable housing within the community. The City has taken action in some areas, some issues are yet unresolved and some require direction from Council in order to be implemented. The following is an outline of the recommendations:

### ACTIONS ACCOMPLISHED OR UNDERWAY

1. Allow Second Dwelling Apt.

Ordinance adopted 12/83.

2. Issue building permits prior to completion of subdivision improvements.

3. Require only one Environmental Assessment per project.

This is current practice. Recent City adopted CEQA guidelines exempts most projects from environmental review.

4. Use master EIR at City expense wherever possible.

This is currently being done in Northeast and Modoc Specific Plan areas.

5. Eliminate environmental review in areas where master EIR is prepared.

Newly adopted City guidelines exempts most environmental review.

6. Allow garage conversion.

Ordinance adopted February 1983.

7. Begin another Senior Housing Project.

Council authorized application to HUD, April 1983.

8. Establish a non-profit housing development corporation.

VIAH formed May 1982.

9. Protect low income residents from displacement in programs established to promote rehab of apartments or single family homes.

10. Develop Block 11.

Twin Oaks completed September 1983.



11. Establish homeowner building inspection program.

Done in Redevelopment target area. Continuation of that program has been budgeted in this year's CDBG application.

ISSUES RESOLVED BUT NOT YET IMPLEMENTED

The following are recommendations accepted by a consensus of Commission and Council. Staff could initiate through public hearing process these amendments upon Council direction.

1. Reduce setbacks.
2. Allow 10% administrative adjustment of all zoning standards.
3. Eliminate minimum parcel size for PRDs.
4. Allow administrative lot line adjustments by Site Plan Review.
5. Waive final maps where State law allows.
6. Authorize administrative adjustment of lot lines and variances.
7. Mobile Home Park Recommendations (The full list is on page 17 of Housing Task Force Recommendations.) This would require preparation of substantial ordinance changes and policies - would also require General Plan Land Use Element Policy Elements.

REJECTED RECOMMENDATIONS

Other recommendations were rejected. They are:

1. Waive parcel map requirements for public agencies.
2. Provide only newspaper notification of subdivision applications.
3. Eliminate parcel map requirement to erase lot line for structures covering more than one lot.
4. Adopt policy that all residential projects be considered at first Planning Commission meeting after submitted.

ISSUES NEEDING CLARIFICATION/DIRECTION

Some specific procedural or ordinance revisions were proposed but were neither accepted or rejected by a consensus of both bodies. In some cases, the Planning Commission is not in favor of particular proposals and staff is not certain of Council position. Staff will need specific direction from Council on these issues.

1. Changing base density from R-1-6 to R-1-4.

Previous sessions resulted in a consensus of R-1-5; however, Planning Commission indicates that they feel it is not acceptable on a Citywide basis. They prefer a case by case review.

2. Duplexes on corner lots.

This was deemed not acceptable until the possible impacts could be assessed.

3. Two dwelling units on a lot with alley access.

It was felt this may be acceptable in certain areas but more information or consideration was needed.

4. Eliminate CUP/PRD requirement for "common interest" subdivision on private streets.

Consensus of Planning Commission feels CUP process should be retained.

5. Eliminate CUP requirement for multi-family developments where R-M zoning is already in place.

Consensus of Planning Commission feels CUP process should be retained.

6. Revise Parking Standards.

Council and Commission wanted staff review of task force proposals.

7. Eliminate CUP requirement of PRDs.

Consensus of Planning Commission feels CUP process should not be eliminated.

#### POLICY STATEMENTS WHICH COULD BE MADE A PART OF THE ELEMENT

Some of the task force recommendations constitute a change in direction or are policy oriented. They are as follows:

1. Wherever practical, undertake zone change actions on a City or area-wide scale.
2. Density reductions must be justified in respect to housing need.
3. Adopt policy statements supporting infilling.
4. Provide enough R-M zoned land to accommodate 50% of all new units (consensus from study sessions was that staff and task force should adopt criteria for determining need).

### PROCEDURAL CHANGES/WORK PROGRAM SHIFTS

Some of the task force recommendations could be implemented through a change in operating procedure, or adjustments of work program items, at the direction of City Council.

1. Improve City/County coordination for recording maps.
2. Refer subdivision cash payments until 4:00 the day of the Council meeting.
3. Rental housing work session.
4. Utilize TCAG as central source of information on financing.
5. City support of housing legislation, use PERS funds for housing.
6. Strict enforcement of rental maintenance codes.

### NEW PROGRAMS

New programs proposed or possible work program items (items related to fees have been included in this category since there would need to be an impact analysis prepared prior to any implementation).

1. Consider waiver of development fees for low income housing.
2. Initiate redevelopment land acquisition program.
3. Density bonus for low income housing.
4. Review of all City fees.
5. Infrastructure financing.
6. Support State legislation streamlining DRE process.
7. Shared equity program.
8. Investigate housing funding; 235 program, revenue bonds, etc.
9. Begin a land banking program for low income housing.
10. Review City-owned land for land banking program.
11. Consider construction loans for low income housing.
12. Consider a rental acquisition/financing program.
13. Encourage private lending institutions to participate in City programs.
14. City Council to hire or assign full-time staff to develop and implement housing policies and programs.

15. City should actively seek to assure adequate supply of rental housing exists.
16. Explore subsidized handicapped housing.
17. City to take active stand against cuts in Federal housing programs.
18. Explore imaginative housing techniques.
19. Encourage voluntary rehabilitation.



The next steps that are needed to finish the Housing Element.

1. Incorporate the comments from the State Department of Housing and Community Development (staff expects comments around June 26th).
2. Revise draft Housing Element to include new data, City policy on housing, creation of the Community Housing Advisory Board and addendum that includes the Housing Task Force Report.
3. Review the Visalia Housing needs and the format of the Housing Element with the City Planning Commission.
4. City Council will need to hold a public hearing and then adopt the revised element.

Part 7

IMPLEMENTATION

1. Assign a full-time staff person as the Housing Element Coordinator.
2. Seek nominations from various local groups for the Housing Advisory Board. City Council will need to appoint one member to the Board.
3. Instruct the Housing Element coordinator to start implementing the agreed Housing Task Force recommended changes.
4. It may be necessary that the City Council and the Housing Advisory Board have a meeting to discuss directions and purpose of the Board.
5. Housing Task Force recommendations that were not specifically rejected should be drafted into specific proposals for City Planning Commission and City Council review.
6. Implementation will require many public hearings over the next few years on specific recommendations.

RECOMMENDATIONS OF  
THE VISALIA HOUSING TASK FORCE  
TO  
THE VISALIA CITY COUNCIL

**APRIL 1982**



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# **1**

· INTRODUCTION LETTER





April 9, 1982

VISALIA CITY COUNCIL

This is a country of home ownership. Our nation once prided itself on the fact that 75% of American families owned their own homes. This was the Great American Dream.

Presently less than 7 percent of the population now entering the housing market can afford to buy a home. This estimate assumes an interest rate scenario far more favorable than that which is available at the time of this writing.

Home ownership creates stability. It is a goal which bridges class structures, providing a social incentive, a vested interest and a sense of involvement in the community.

As important as home ownership is, it is a problem that is vastly overshadowed by far more serious problems which is the basic shortage of affordable housing in any form.

At a time when the demand for rental housing has never been stronger, construction of new rental units is at an all-time low.

The housing delivery system itself, especially in California, has been seriously, perhaps permanently damaged by economic forces over three continuous years of severe recession within the industry.

Affordability problems, which have always been severe for lower income households, have expanded through all income groups and can no longer be dealt with by tossing out a token number of subsidized units.

Almost one quarter of all households cannot afford market rate rents which are now rising even faster than new construction costs.

Obviously a great deal of time could be spent detailing the reasons for the present housing crisis, and indeed, this has been done by a number of previous studies which are available to the serious researcher. It would serve little purpose to duplicate previous efforts at documenting the cause and effect of the housing problem.

In September, 1980 the Housing Task Force established the goal of developing policies which would over a five year period:

1. Provide opportunities for decent housing for all persons, regardless of age, race, sex, marital status, ethnic background, source of income, or other arbitrary factors, with an emphasis on low and moderate income households.
2. Help assure the availability of an adequate housing supply and selection by location, type, price and tenure.



The Task Force investigated ways of determining housing needs to be met, various housing types and financing techniques which could be utilized and various government regulations and land use policies which could be added, modified or deleted with a resulting favorable impact on housing.

In any field of endeavor, there are relatively few truly new ideas. Visalia's was not the only task force studying housing; there was the HUD Housing Task Force; there was the Governor's Housing Task Force; there was the California Association of Realtors Housing Task Force. As the committee reviewed data and made recommendations, ideas which seemed to be unique and original were often encountered later on as recommendations of some other committee or as new programs being implemented somewhere else in the country.

There are many recommendations made by the committee directed towards particular problems, but the primary problem to be addressed by public policy makers is one of public attitudes toward growth and development.

The people most affected by public policies toward housing are not present to voice their concerns. If they were, they would probably be urging public officials to do exactly the wrong things because of the complexities of the issue.

The people who are present in the policy making process are the very vocal existing population who for the most part have had their housing needs met. It is the future population whose interests are left to be represented by builders and developers who understand the issues but who do not have the credibility or the incentives to aggressively fight public opinion on their behalf.

Almost everyone accepts the fact that costs involved in producing a product are reflected in the finished price, but those same people will question whether or not savings will be reflected in the finished prices of the same product.

The present downturn in the housing industry provides a unique opportunity to re-adjust land and development costs, risk factors and supply and demand equations within the total housing market with confidence that by necessity, the entire pricing structure will reflect the resultant savings. Thus with any recovery in the housing industry the total market will begin in a much improved environment rather than on an isolated case-by-case or project-by-project basis as would be necessary during a more active market period.

At a time of growing public skepticism about government, it would seem to be inconsistent to be looking toward government for solutions to the current crisis, and indeed, government cannot solve these problems. Government, especially at the local level, must be included, however, if existing and future housing needs are to be adequately met.

This involvement may in some cases only be a restructuring of priorities, in other cases government acting as a catalyst or central source of information, and in still other cases government must actively try to become less involved in certain areas of the housing production cycle in which it has already become deeply entwined.

Many groups have long felt that housing was an important moral and social issue. Many other groups feel strongly about the impact of the housing crisis on economic growth, employment and general economic health. While these concerns should both be critically important motives for working to solve the housing crisis, the problem has also become a legal responsibility of local governments. AB2853 requires a plan of action by local governments in meeting the housing needs of its low and moderate income residents including the fair share allocation as determined by the Department of Housing and Community Development.

Some communities have elected to try only to meet the minimum legal requirements of AB2853 through mandatory inclusionary zoning and other means which actually cause a counter-productive, negative impact on the overall housing market. The Visalia Housing Task Force was careful in its recommendations to try and free-up the workings of the housing delivery system and provide methods and incentives to produce affordable housing without simply shifting the entire burden and responsibility to other housing consumers.

The task force recognized that physical, financial and infrastructure limitations may exist which prevent full implementation of all recommendations in certain instances. Decisions must be made in an environment of complete information giving an appropriate priority to housing.

The following text represents the highly condensed result of nearly 4000 person hours of careful study and deliberation. The effect of these efforts will ultimately rest with the City Council, who must decide what priority housing should have in this community.

Even the simplest recommendations require rewriting of ordinances and restructuring policies and procedures. This will take many hours of staff time. The Visalia Housing Task Force strongly recommends that a full time staff person be assigned to develop a Housing Element and implement the Housing Task Force recommendations as approved by the City Council.

City officials and the 50,000 plus citizens of Visalia should consider the needs of the next 50,000 people to be of equal importance and perhaps much more difficult to meet than those of the present generation. We have no doubt that the challenge can be met.



Alan McIntosh



Michael D. Knopf



# 2

## SUMMARY OF RECOMMENDATIONS







The Housing Task Force recommends that the Visalia City Council take the following actions:

### III. CITY DEVELOPMENT STANDARDS AND REGULATIONS

#### A. City Zoning Ordinance

1. Rezoning of all parcels presently zoned R-1-6 to allow a minimum lot size of 4,000 square feet. Allowable density for parcels so zoned should be 10 dwelling units per acre.
2. Elimination of minimum parcel dimensions and reduction of setbacks in favor of lot coverage limitations (see #3 below) as follows:
  - a. Rear yard setback - 5 feet.
  - b. Side yard setback - 5 feet.
  - c. Front yard setback - 15 feet on parcels fronting public streets, together with a performance standard for drive aprons as follows:
    - c-1. Twenty-two feet minimum from garage to back of sidewalk where sidewalk exists, or is proposed.
    - c-2. Twenty-two feet from face of garage to back of drive approach where no sidewalk exists, or is planned.

This dimension may be reduced to 20 feet if covered parking is provided with a carport or zero clearance overhead garage door.

3. Change lot coverage limitations as follows:

R-1, 50% R-M-2, 70% R-M-3, 80%

4. Amend single family residential zones to allow guest housing or studio apartments on single family lots over 6,000 square feet in size, provided that such guest housing or studio apartments shall consist of a single studio or one bedroom/one bath living unit. Where two off-street parking spaces and street parking are available, no additional off-street parking spaces should be required. If no street parking is available, one additional uncovered off-street parking space should be required (which may be located within a setback area), up to a maximum of three required spaces.

5. Amend the zoning ordinance to allow two dwelling units on all residential corner lots as a permitted use, provided that all existing requirements for setback, coverage, and off-street parking are met for each unit. Such units could be subdivided into parcels for individual sale, provided such division is consistent with building code requirements, even if the parcels created were below the size permitted by the underlying zone.
6. Amend the Zoning Ordinance to allow two dwelling units as a permitted use for residential lots with alley access, provided that all existing requirements for setback, coverage, yard area and off-street parking are met for each unit. Such units could be subdivided into parcels for individual sale, provided such division is consistent with building code requirements, even if the parcels resulting from such division are smaller than the minimum parcel size permitted by the underlying zone.

If alley access is not improved, as a condition of the building permit, property owners would be required to reconstruct the alley to City standards from the proposed building site to the nearest public street intersection. Where alley reconstruction is required, the City should develop a reimbursement policy when subsequent construction utilizes improvement by others.

7. In order to provide adequate notice to neighbors where such development is proposed, as outlined in the preceding three recommendations, require the Building Department to post property for a period of 15 days prior to issuance of building permit.
8. Amend the Zoning Ordinance to make all zoning standards (density, setbacks, coverage, lot size, etc.) subject to administrative adjustment by the Community Development Director of up to 10% deviation from ordinance requirements.
9. Eliminate the minimum parcel size for planned residential developments.
10. Eliminate the requirement for a planned residential development or conditional use permit for common interest subdivisions on private streets which meet minimum lot size requirements. Review would be by Site Plan Review Committee and Planning Commission at Tentative Subdivision hearing.
11. Eliminate the conditional use permit requirement for multi-family projects on land zoned for multi-family development, provided that all conditions of the zoning are met.

12. Whenever practical, undertake zone change actions on a citywide or area-wide scale.

#### B. Subdivision Map Act and Local Subdivision Ordinance

1. Amendment of local ordinances consistent with State law, to provide only newspaper notification of subdivision applications.
2. Eliminate requirement for parcel maps to erase parcel lines prior to issuance of building permits for structures crossing such lines, in cases where owners own multiple parcels being developed as one contiguous unit.
3. Eliminate requirement that parcel maps be filed in cases where the Subdivision Map Act clearly does not require such parcel maps.
4. Adopt local lot line adjustment ordinance authorizing the Site Plan Review Committee or the Community Development Director to approve or deny lot line adjustments.
5. Waive parcel map filing requirements for properties involving public agencies.
6. Amend local ordinances to allow for waiver of final map requirements in cases as allowed by State law.
7. Improve coordination between the City and the County for final map recordation procedures.
8. Defer subdivision cash payments and improvement security until 4:00 p.m., the day of the City Council meeting.
9. Change current City policy to allow the issuance of building permits to builders and contractors who are direct participants as developers or subdividers of a given project, after recordation of the final map, while imposing the following safeguards:
  - a. No final inspection or occupancy permit would be issued for a dwelling unit until a final inspection is made for the subdivision.
  - b. This policy would be intended to eliminate delays in the issuance of permits due to minor deficiencies in tract improvements which do not directly affect the health and safety of the occupants of this procedure.
  - c. Title companies and lenders should be notified of this procedure.



10. Change current City policy to allow the issuance of building permits to builders and contractors who are not direct participants as developers or subdividers of a given project, after all streets are paved. The completion of utilities installation should not be a factor in the issuance of permits. The following safeguards should be imposed:
  - a. A disclaimer to be signed by the builder at the time the permit is issued, explaining the City's level of involvement, the risks to the builder, and the responsibilities of the builder and developer.
  - b. No final inspection or occupancy permit would be issued for a dwelling unit until a final inspection was made for the subdivision.
  - c. Title companies and lenders should be notified of this procedure.
11. Maintain the current City policy regarding the issuance of building permits to lot owners other than builders. Permits in such cases would be issued after final inspection of tract improvements, and should not be withheld on account of minor deficiencies.

#### C. California Environmental Quality Act (CEQA)

1. Require only one Environmental Assessment Questionnaire for a given project.
2. Use of Master EIRs prepared at City expense whenever feasible.
3. Eliminate environmental review in master-planned areas or other areas with master EIRs, when a proposal is in conformity or only at minor variance with the Master Plan.

#### D. Northeast Specific Plan Analysis

1. In evaluating the costs of the Northeast Plan, calculations should not include savings resulting from the inclusion of narrower street standards in the plan. Narrower streets resulting from advance circulation planning should be perceived as a benefit of the specific plan process, rather than as offsetting some detrimental effect of the plan process such as increased costs of additional amenities.

2. Following adoption of new street standards city-wide, the North-east Plan should be evaluated and amended to include any changes in street standards which may be necessary to assure consistency with other city-wide street standards if such street standards are narrower than those previously approved as a part of the Northeast Specific Plan.
3. The need for sidewalks on local streets should be carefully evaluated. This evaluation should take into consideration existing developments with and without sidewalks to determine the functional necessity of requiring them, and should balance the concerns of schools and other special interests who strongly favor the requirement of sidewalk construction against the direct and indirect costs of the requirement and resulting benefits. If it is determined that sidewalks are a necessity on local streets and that the value and benefit of sidewalks clearly warrants the combined direct and indirect costs of construction, then procedures and policies should be developed to permit the provision of sidewalks on only one side of local streets.
4. Evaluate alternative street section designs for the possibility of providing adjacent sidewalks, narrower right-of-way widths, and revised street tree programs to address the concerns noted. Careful coordination with utility companies could result in narrower rights-of-way and result in land savings, while still allowing for city-wide street tree programs in whatever form that may be approved.
5. That the existing storm drainage plan be restudied from the standpoint of overall cost-effectiveness, redundancy, and development sequencing.
6. That the fee system be reevaluated based on final actual design concepts.
7. That the City develop plans, schedules and policies for the installation of those portions of the system to be provided by the City.
8. The Task Force recommends that the City re-examine the North-east Plan to allow for the adoption of specific incentives for the provision of low and moderate income housing. Such incentives might include density bonuses, fee waivers, and other programs which the Task Force has recommended by adopted.

9. It is of concern to the Housing Task Force that the Northeast Plan contains no specific provision for mobile home parks or subdivisions, and does not provide the necessary zoning for these types of developments. The Task Force recommends that recommendations previously proposed by the Task Force regarding mobile homes be adopted and applied city-wide.
10. The Task Force would recommend that the drainage swale concept be re-examined, with a possible reduction in width and development cost of the swale systems to reflect the primary purpose as a location for pedestrian and bike paths rather than drainage. This reevaluation might also suggest a relocation of the open space, bike path/pedestrian ways to reflect the emphasis of these areas toward bike path rather than drainage purposes.
11. It is recommended that the location of the proposed off-road bike paths be at the proposed locations.
12. It appears from the plan information that the construction costs of the off-road bike paths assume a Portland cement concrete structure. It is recommended that alternative materials and construction techniques be evaluated to arrive at the most cost-effective construction, considering the relatively light loading that most bicycle paths typically receive.
13. The Task Force is recommending that the undercrossings for pedestrians and bikes be evaluated for cost effectiveness and for other alternatives such as signalized crosswalks.
14. The Task Force is recommending that for street lights, furniture and signs that emphasis be placed on continuity and cost effectiveness of the items, rather than the provision of more.
15. The Task Force is recommending that the monthly assessment fee be carefully reevaluated to insure that it accurately reflects the final adopted plan, as will determine which, if any, community services are included in the monthly assessment.
16. The committee recommends that the Northeast Plan assessments be evaluated, as mentioned previously, for accuracy with final adopted plan components, and modified where necessary to provide consistency with other areas of the community and with the philosophy of fee assessment outlined in the previously adopted consensus paper entitled "City Fees."

With the unprecedented changes that have occurred in the housing market and the financial system which traditionally has supported the housing market, it does not seem wise to continue with a system which places undue restrictions on the future market trends of housing. Even individuals who are intimately involved in the housing industry are unable to predict with any certainty the form and financing of the future housing market. It is very important, therefore, to make every effort to allow flexibility for adapting to change within the industry which may be necessary to provide for the future needs of the community.

#### E. Parking Standards

1. No covered parking is required for residential projects.
2. Minimum parking ratio, assuming on-street is available for guest:

2 bedroom and above	-	1½ spaces/unit
1 bedroom	-	1¼ spaces/unit
Studio	-	1 space/unit

In cases where no on-street parking is available an additional 1/4 space per unit should be provided on site for guest parking. No less than 2 guest parking spaces per project.

3. An alternative to consider to help provide sufficient on-site parking is to prohibit assigned parking.
4. A second alternative would be to allow tandem parking in meeting guest parking needs.
5. Garages converted to a habitual living space. It is recommended that conversions be accommodated by elimination of the covered parking requirement and further amending the regulation that the required parking be allowed in the driveway (setback).

#### F. Affordable Housing Density Bonus Proposal

The Housing Task Force feels strongly that a bonus should provide the incentive necessary for developers to utilize this program. The Task Force, therefore, recommends that the following density bonus program be adopted:

1. The City should make available density bonuses of up to 50% over the existing zoning for residential developments in which 25% of the units meet the criteria listed in Recommendation B. If a 50% bonus is approved, a development proposed for lands zoned R-1-6 would yield 10.5 units per acre, rather than seven, which would otherwise be allowed. Lands zoned R-1-4.5 would yield 14 units per acre, in lieu of ten units per acre.



Additional density bonuses of up to 100% should be considered for exceptional or imaginative projects that meet a special need of the community.

2. Developers seeking a density bonus for either owner occupied or rental units would be required to enter into an agreement with the City, setting sales price and rental costs for designated affordable units as follows:
  - a. The developer will submit the proposed project for review and evaluation. The submittal would include preliminary design, estimated cost of affordable units, sales price or rental cost of affordable units, and the requested density. The proposed project will be processed through site plan review and forwarded to City Council with staff comments.
  - b. The Council will review and assess the merits of each proposal on a case by case basis. Factors to be considered would be items such as costs, sales price, rental cost, income level penetration, location, neighborhood compatibility, financing techniques, etc. Emphasis may vary from project to project. The Council should work closely with the private sector, possibly an "AD-HOC" advisory group, to aid with development and construction cost evaluation.
  - c. After Council review and evaluation, the Council and developer will meet to discuss the proposed project, and if required, negotiate the sales price or rental cost of the affordable unit, and the density bonus.
  - d. The Council should also determine the maximum household income that would qualify for purchase or rental of the affordable unit.
  - e. For rentals, the City might require a long-term low cost lease of the "affordable unit." The City then could release the affordable units to low income families, possibly contracting with the Tulare County Housing Authority to certify the tenants, collect rents and manage the properties.
  - f. Units for sale under the Density Bonus Program (units that do not involve subsidize prices, private or public), will be subject to the requirement of all subsequent sales to be owner occupants only. This condition will be for a certain specified period of time, sufficient to discourage short term resale of affordable units to investors with subsequent loss of such unit from the owner occupied market.

3. The Housing Task Force has concluded that even these measures may not produce housing that is affordable to those persons who need assistance the most. There are, however, several other measures which the City might take to further reduce the cost of housing:
  - a. In order to further reduce the sale price of affordable units designated for owner occupancy, the City can consider a number of measures, including waiver of development fees, contribution toward land cost, etc. Under these circumstances, it would be appropriate to institute an equity-recapture provision so that the purchasers of affordable housing units would reimburse the City for its contribution at the time of resale.
  - b. For families unable to pay rents in the "affordable rental projects" (at the present time such rents would be approximately \$216. per month, if set at 20% of median income), the City could subsidize a portion of these rents through a program similar in concept to the H.U.D. "Section 8" Rental Assistance Program. Under the Section 8 Program, the tenant pays 25% of his/her monthly income, and the remainder of the rent is subsidized. A possible source of such funding might be the City's Community Block Grant and Revenue Sharing Funds.
4. In some cases the developer may choose to subsidize or provide below market rate units, rather than mix housing types, or the City may choose to subsidize the project to provide lower cost housing. Since the ownership or rental of this type of housing unit is a privilege to the occupant, the resale of such a housing unit should be controlled to eliminate the loss of such a unit from the marketplace.
  - a. All affordable units for sale should be limited to owner occupied. In order to enforce this rule, it may be necessary that the City be granted a legal interest in the property, requiring notice and approval of all subsequent transfers of ownership.
  - b. Affordable units involving below market rate prices resulting in whole or part from financial involvement by a public agency, should be subject to a resale control to prevent a one-time windfall profit to the initial purchaser, and subsequent loss of an affordable unit.

The resale price of the owner occupied unit would be established by the original sales price, plus rate of appreciation over term of ownership and selling expense. An appraisal would be made by an independent appraiser at owner's expense, of similar units in the area to determine rate of appreciation. The City would have the first right of refusal, this condition would carry the life of the unit, unless released by Council action.

- c. Affordable units sold at below market rate prices due to a private subsidizing agreement by the developer as a part of the density bonus agreement should be subject to a short term resale control, to prevent a one-time windfall profit. This resale control would be established with a 2-year sunset clause with a procedure for individual review by the City Council in a case involving a hardship.

#### G. Minority on Density Bonus Proposal

1. Resale controls and anti-speculation clauses, etc. should be limited to projects which involve a financial contribution from a public agency.
2. Projects providing affordable units through increased density or a change in product type, etc. and not involving a public subsidy or financial contribution by a public agency should be sold with as few restrictions as possible after the initial sale so as not to chill demand for the units, thus increasing risk to the developer and possibly limiting use of the program.
3. Retain the option of adding controls at a later time if the need is shown to exist.

### IV. CITY DEVELOPMENT POLICIES

#### A. Annexation Policies

1. Eliminate ten-year annexation boundary.

#### B. Urban Boundaries Element

1. Bi-annual reevaluation of the City's Urban Boundaries Element.
2. Elimination of 10-year annexation and development boundary.
3. Bi-annual survey of amount and price of available land within 10-year annexation and development boundary.
4. Appointment of citizens panel to assist staff in these action.

### C. Infilling Policies

1. Staff should establish criteria which would be used to identify infilling policies.

Definition of Infilling - The development of new housing or other buildings on scattered vacant sites in a built-up area.

2. Undertake City initiated zone changes, as opposed to individual, applicant initiated applications, for properties suitable for residential infilling. It is proposed that many zone changes be considered at a single public hearing, perhaps on a neighborhood basis, with notices mailed to surrounding property owners explaining the proposed action (refer to consensus paper on Zoning Ordinance).
3. Encourage public participation in the development of guidelines and policies prior to holding hearings on individual specific projects. Review and evaluate specific projects for conformity with such guidelines and policies.
4. Require the Planning Commission and City Council, in the event of a denial or reduction in density of a proposed residential project, to make findings consistent with the housing needs outlined in the Housing Element (refer to consensus paper on Planning Commission/City Council Review of Projects).
5. Adopt policy statements in the Housing Element and other appropriate general plan elements which provide strong positive support for difficult Planning Commission and City Council decisions which promote infilling.
6. The City should examine the possibility of eliminating or reducing development and other impact fees in areas deemed appropriate for infilling, as an incentive to development. The City should also consider the reduction or elimination of fees for services or impacts not resulting in any direct costs to the City (such as existing developer-installed sewer lines, utilities installed with State or Federal funds, existing streets, oversizing fees when no oversizing is required, etc.).
7. Initiate a voluntary redevelopment program, administered by the City Redevelopment Agency, which could (with property owner's permission) assemble parcels for residential development which would otherwise be difficult to assemble. This could prove especially useful in a situation where unusually deep lots exist and excess land could be better utilized.



#### D. City Council and City Planning Commission Review of Projects

In the interest of more efficient processing of applications and the promotion of more affordable housing, the Housing Task Force recommends that the City Council take the following actions:

1. Authorize the Community Development Director to hold hearings and render decisions on variances and lot line adjustments.
2. Recommend that the City Council and the Planning Commission keep public hearings open and accept additional comments after Planning Commission discussion, or opportunity to provide developer and interested parties to respond to comments before vote. Same procedures - City Council public hearings land use matters.
3. Eliminate the use permit requirement for Planned Residential Developments (however, public hearings on subdivision maps would still be required).
4. Adopt a policy that all residential projects be considered at the first Planning Commission meeting following the statutory notification period. The Task Force recognizes that this generally occurs now; however, during periods of high development activity, delays can occur which add to housing costs.
5. Require that the Planning Commission, in order to deny a zone change to a higher density residential zone, must make a finding that the proposed units are not needed, according to the housing need estimates contained in the adopted Housing Element, by other factors that are specifically identified or that such need is clearly outweighed.
6. That the Planning Commission consider the effect of that action upon the housing needs of the region prior to taking action upon a proposed subdivision map, as required by Section 66412.2 of the California Government Code (Subdivision Map Act).

#### E. City Fees

1. For encouragement of Low and Moderate Income Housing:
  - a. The waiving of all impact and processing fees for low income projects publicly financed or privately financed. Low incomes shall be those incomes 80% or less of the median income for the City of Visalia.

- b. Consideration of additional waivers of impact and processing fees to encourage moderate income projects to be determined on a case by case basis. Low and moderate income shall be those incomes of 120% or less of the median income for the City of Visalia. Cost to the City of waiving such fees should not be reflected by increasing fee schedules for other projects.

2. To relieve pressure of all other housing costs:

- a. The only charges to be assessed to a proposed development and/or construction project shall be limited to those improvements directly benefiting that specific project, rather than those improvements which are primarily of a regional or neighborhood nature are only incidentally benefiting the specific project.

Subject, however, to a reimbursement provision to the City or another private developer, of existing improvements installed by them which would have been a direct cost to the property being improved. The reimbursement shall also be based on actual costs of installation and not prevailing costs.

- b. All indirect impact fees such as parks, sewer plant expansion, storm drainage pumping plants, major trunk lines, arterial streets, and landscaped street medians are a community responsibility and should be paid from the general fund and/or other community wide sources.
- c. Applications for Conditional Use Permits, PRDs/PUDs, and Zone Changes need review to prevent duplication of processing and application fees. (For example, a PRD with a change of zone is subject to two (2) \$500 application fees).
- d. Fees intended to offset processing costs of other development projects should be estimated or actual cost of administrative staff time directly connected with processing.
- e. Is a matter of principle fees for application process should be based on actual cost to the city and not used as a source of revenue. The Task Force was unable to determine - suggest review.

F. Multiple Family Zoning, Density, Community Attitudes, and Education

- 1. Provide for a sufficient number of multi-family units to provide for at least 50% of new units. This can be done either by selecting appropriate R-1 land and upgrading it to R-M-2 and R-M-3 zoning, through conditional use permits, or through a density bonus program.

2. Encourage more R-M-3 zoning in the downtown area. This would reduce traffic, provide more housing near shopping and preserve downtown, and also provide residential development above existing commercial property.
3. A work session with rental property owners, tenants and the City Council to help inform the council of the costs and problems involved in rental housing (once per year).

#### G. Mobile Home Parks

1. Include sufficient mobile home park space to meet anticipated demand in the City's plans for future growth and development.
2. Encourage the development of mobile home subdivisions.
3. Encourage the development of mobile home parks in all areas designated on the General Plan for residential use.
4. Adopt the necessary ordinances to allow for placement of mobile homes on individual lots in all residential zones, in accordance with state law.
5. Amend the Zoning Ordinance to include mobile home parks which provide at least 25% of spaces in perpetuity to families with children in the list of permitted uses in all residential zones.
6. The City should actively encourage the development of mobile home facilities by taking the following actions:
  - a. Advertisement of the City's commitment to encourage mobile home facility development.
  - b. Adoption and advertisement of the following incentives for mobile home development:
    - b-1. Guaranteed fast-track processing.
    - b-2. Permitted use status in all residentially zoned areas for mobile home developments which will accommodate families with children, in perpetuity, in at least 25% of the spaces.
    - b-3. Waiving of all impact fees for mobile home developments which will accommodate families with children, in perpetuity, in at least 50% of the spaces.

7. No direct action be taken by the City, other than the moratorium already imposed, regarding the case of a privately owned mobile home park restricting future sales to families without children. The moratorium should be viewed as providing the tenants with an opportunity to settle the dispute privately or initiate a civil lawsuit.

## I. City Regulations

In order to achieve the proper balance with respect to the goals of the City Housing Element and the housing needs of present and future residents, it is strongly recommended that two additional findings be required for the adoption of all new housing related or land use regulation or policy:

1. The possible economic effects of such regulations or policies.
2. The effect of ordinance and actions considered for adoption on the housing needs of the region.

## J. Infrastructure

The Housing Task Force recommends to the City Council of the City of Visalia that the cost of said expansion and installation be paid for, on an equal basis by both present and future users of the existing and expanded facilities, by whatever mechanisms are deemed most appropriate to accomplish this purpose.

## V. SPECIAL PROGRAMS

### Department of Real Estate Processing of Subdivisions

1. Promote a legislative amendment to AB2320 which would clarify that a developer who had met the requirements of submitting applications in compliance with state law would not be in violation of state law if he proceeded to contract to sell subdivided lots or residential units without receiving a final public report due to a failure on the part of the D.R.E. to meet applicable time limits imposed by AB2320. If the D.R.E. did issue a public report after the legislative time limits, the subdivider would then be required to conform to applicable state law with respect to securing disclosure statements from prospective purchasers prior to contracting to sell lots.
2. Promote an amendment which would expand the exemptions provided under SV1776 to include all standard subdivisions within incorporated city limits with or without completed residential structures which are served with normal city utility services. The bill might include a provision for certifying the adequacy of the city services which are provided on a city-by-city or county-by-county basis.



3. Sponsor or promote legislation which would require the D.R.E. to adopt certain standard language to be included in association documents for various types of common interest subdivisions. This language would be recorded in all California counties in much the same way as language which is currently recorded on second trust deeds and would be referenced as a part of each set of homeowners association documents. Sufficient latitude would remain in the balance of the association documents to provide for specifics of individual cases. The effect of this type of process would be to minimize the number of changes in subdivision document policies which are undertaken by the D.R.E. legal review section. Amendments could still be created in response to specific problems, but the temptation to make minor relatively insignificant policy changes would be somewhat reduced. These types of amendments which might be required would then be apparent through a search of the public record by attorneys who are preparing homeowners association documents prior to submittal to the D.R.E.
4. Promote enabling legislation which would permit cities subject to D.R.E. review and approval to assume the responsibility of subdivision processing and issuance of public reports. Review by individual cities would still be required to conform to state processing guidelines, however cities could carry out the review process in a manner which is more responsive to individual local needs. In addition, the level of convenience and efficiency which would result from enhanced accessibility and communication with the subdivision reviewer would no doubt help to minimize conflicts, repetition and misunderstandings in the preparation of subdivision documents. Cities which perform the subdivision review process would be entitled to collect the fee which is ordinarily imposed by the D.R.E. to defer costs associated with the review process. Cities and counties which were unable to provide the necessary subdivision review would simply be required to follow the procedure at the state level which is currently in force. Cities which choose not to participate or are unable to participate would also benefit from faster processing through the D.R.E. as a result of reduced workload at the state level.

#### **B. Shared Equity: An Alternative to Inclusionary Zoning**

1. Initiate a city-sponsored shared equity program which would involve actual city participation with low and moderate income households in the purchase of existing housing units. City participation would be in the form of a contribution to purchase price. The City would then receive an undivided interest to a percentage of the housing unit equivalent to the proportion which the City contribution bears to the total price of the housing unit. At the time the unit is sold, the City

would be paid back for its original contribution, and in addition would receive a share in the appreciation of the unit in proportion to the percentage of ownership held by the City on that particular unit.

Funds would come from any and all available sources within the City, including the general fund, grants, community enhancement and other special funds, the sale of surplus city-owned property, special revenue bonds, loans, and funds from private investors.

A detailed presentation of this recommendation is contained in the consensus paper entitled Shared Equity: An Alternative to Inclusionary Zoning.

### C. Financing Techniques

1. Create a central source of information regarding housing finance opportunities. The Housing Task Force proposes that this function could best be carried out through the Tulare County Association of Governments.
2. City of Visalia should begin coordination for the provision of various types of assistance to Visalia Senior Housing in the development of another senior housing project.
3. The City of Visalia should continue to provide assistance to the Housing Authority to further the development of public housing within the city.
4. The City of Visalia should investigate the availability of HUD Section 235 funding for projects within the city.
5. The City of Visalia should vigorously investigate, on a continuing basis, the potential for using tax exempt revenue bonds to finance rental and/or ownership housing for low and moderate income families.
6. The City of Visalia should continue to make deferred payment rehabilitation loans available to low income families, as CDBG funds are made available to the City.
7. The City of Visalia should plan for future low income housing needs by beginning a land banking program with the objective of making land available for low income residential development.
8. The City should review its inventory of city owned land to determine which parcels could be made available for this use.

9. The City of Visalia should consider lending funds through local lending institutions from its investment portfolio for short term construction loans to selected developers of low or moderate income housing.
10. The City, either through the Redevelopment Agency or a non-profit corporation, should consider instituting a Rental Housing Acquisition and/or financing program to help provide affordable rental units.
11. The City of Visalia should consider establishing a non-profit corporation to administer many of the programs suggested by the Housing Task Force.
12. The City of Visalia should actively support legislation at the State and Federal levels which promotes low and moderate income housing.
13. The City of Visalia should encourage the use of pension funds for housing finance, and should contact the administration of PERS to promote this idea.
14. Private lending institutions should be encouraged to participate with the City of Visalia in financing city-sponsored programs.

#### D. Meeting Low Income and Other Special Housing Needs

1. Commitment by city of the principle of adequate housing for all economic segments of the community.
2. City Council to hire or assign existing staff on a full-time basis to develop and implement specific policies and programs which will ensure the development of adequate housing for low income and other hard-to-house groups.
3. The city should function as the lead and catalyst in developing a public/private partnership.
4. The Council should take a position strongly supporting the proposed Article 34 referendum.
5. The city should develop a close working relationship with local lending institutions to encourage their participation in financing low income and special needs housing.
6. The city should utilize HUD CDBG funds for the sole purpose of meeting low income and specialized housing needs.
7. To provide adequate and affordable housing for the low to moderate income senior citizens of Visalia, the city should encourage and support the development of another project such as the Meadows and the Town Meadows.

8. The city must take an active role in assuring an adequate supply of rental housing affordable to all segments of the population.
9. The city should adopt an advocacy role in low income housing issues.
10. The city should ensure that programs established to promote the rehabilitation of rental units or single dwellings contain provisions to adequately protect against the displacement of low income residents.
11. The city should explore possibilities for subsidizing the development of housing which will enable handicapped residents to enjoy a maximum of self-sufficiency.
12. The city should take an active stand against proposed cuts in federally funded low income housing assistance.
13. The city should explore all possible sources of appropriate funding.
14. The proposed Shared Equity Mortgage program should be established with guidelines which emphasize the maintenance of the existing Below Market Note Housing Stock.
15. The city should explore imaginative ways to provide housing, including sweat equity and cooperatives.
16. Block 11, in the North Visalia Redevelopment area, should be developed as a model of affordable housing with a good economic mix.

#### E. City Policies Regarding Rehabilitation of Substandard Units

1. Owner occupied.
  - a. City should encourage voluntary rehabilitation.
  - b. City should establish a program under which homeowners could request a building inspection with the assurance that they will not be cited if deficiencies are discovered.
2. Rental occupied.
  - a. The Task Force recommends that there be strict enforcement of the maintenance of rental units.





# 3

## CITY DEVELOPMENT STANDARDS AND REGULATIONS





HOUSING TASK FORCE  
GOVERNMENT REGULATIONS SUBCOMMITTEE  
CONSENSUS PAPER GR - #7

CITY ZONING ORDINANCE

The Housing Task Force believes that the zoning ordinance presently in effect is a definite impediment to the development of affordable housing for the community. In reaching this conclusion, the members of the task force were influenced, not only by their own experiences, but also by a report recently published by the U.S. Department of Housing and Urban Development, which concludes:

"Many local zoning ordinances severely restrict the variety of housing within their community boundaries . . . such restrictions make the development of housing for low and moderate income families very difficult, if not prohibitive, and also contribute to excess costs for middle income residents.

"In addition to outright restrictions to the use of sites, the process of administering zoning itself has had constraining effects and has contributed to cost increases."<sup>1</sup>

For example, the present minimum lot size allowed without a planned development permit is 6,000 sq. ft. The task force seriously questions whether a lot this large is really necessary to public health and safety, and whether setting this size as a minimum size is appropriate, taking into account the increased price of land and development costs. Furthermore, zoning standards such as setbacks, dimensional, and street and frontage requirements may require creation of lots larger than 6,000 sq. ft.

Similarly, some types of housing (i.e., higher density zero lot line and attached units) which may be particularly amenable to low and moderate income housing are prohibited by the existing zoning ordinance on sites of less than one acre.

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<sup>1</sup>Final report of the Task Force on Housing Costs, pp. 17-18, HUD 1978





The rezoning process, as it currently operates in Visalia, is almost entirely initiated by the individual developer, and involves rather costly, time-consuming procedures; a real or perceived element of high risk and uncertainty on the part of the developers; and tends to result in underutilization of most parcels. These risks and uncertainties are greatly accentuated if a development proposal involves low and moderate income housing. In addition, successful rezoning applications result in the creation of a parcel or project considered more scarce, more desirable and hence more valuable. This in turn may encourage resale of the subject site prior to development, partially offsetting the benefit of the higher density zoning. These effects are inevitable as long as the current rezoning process is followed, in spite of the progress which may be made within the zoning ordinance itself.

In general, the task force believes that the zoning ordinance should be modified to allow for more dense residential development, and for more flexibility of lot design and housing type. The members of the task force realize that most, if not all, of the requirements contained in the present zoning ordinance serve worthy purposes (for example, frontage requirements and minimum setbacks promote attractive, spacious streets and yards). No matter how worthy these goals are, however, the present housing crisis makes it necessary for the city to consider modifying or eliminating those requirements which contribute to excessive housing costs. Therefore, the task force recommends that the city take the following actions with regard to the zoning ordinance:

1. Rezone all parcels presently zoned R-1-6 to allow a minimum lot size of 4,000 sq. ft. Allowable density for parcels so zoned should be ten dwelling units per acre.
2. Minimum parcel dimensions should be eliminated and setbacks should be reduced in favor of lot coverage limitations (see #3 below) as follows:

- a. Rear yard setback 5 feet, side yard setback 5 feet, front yard setback 15 feet on parcels fronting public streets, together with a performance standard for drive aprons as follows: 22 feet minimum from garage to back of sidewalk in the case where sidewalk exists, or is proposed, and 22 feet from face of garage to back of drive approach in cases where no sidewalk exists, or is planned. This dimension may be reduced to 20 feet if covered parking is provided with a carport or zero clearance overhead garage door.
3. Lot coverage limitations should be changed as follows: R-1, 50%; R-2, 70%; and RM-3, 80%.
4. Amend single family residential zones to allow guest housing or studio apartments (mother-in-law units) on single family lots over 6,000 sq. ft. in size, provided that such guest housing or studio apartments shall consist of a single studio or one bedroom/one bath living unit. Where two off-street parking spaces are presently available, and where street parking is available, no additional off-street parking spaces should be required. If no street parking is available, then one additional uncovered off-street parking space shall be required (which space may be located within a setback area), up to a maximum of three required spaces.
5. The zoning ordinance should be amended to allow two dwelling units on all residential corner lots as a permitted use, provided that all existing requirements for setback, coverage, and off-street parking are met for each unit. Such units may be subdivided into parcels for individual sale, provided such division is consistent with building code requirements, even if the parcels created are below the size permitted by the underlying zone.

6. For residential lots with alley access, the zoning ordinance should be amended to allow two dwelling units as a permitted use, provided that all existing requirements for setback, coverage, yard area and off-street parking are met for each unit. If alley access is not improved, as a condition of the building permit, property owners will be required to reconstruct the alley to City Standards from the proposed building site to the nearest public street intersection. Where alley reconstruction is required in utilizing this policy, the City shall develop a reimbursement policy when subsequent construction utilizes improvement by others. Such units may be subdivided into parcels for individual sale, provided such division is consistent with building code requirements, even if the parcels resulting from such division are smaller than the minimum parcel size permitted by the underlying zone.
7. In order to provide adequate notice to neighbors where such development is proposed, as outlined in the preceding three recommendations, the Building Department should be required to post property for a period of 15 days prior to issuance of the building permit. (see attached)
8. All zoning standards (density, setbacks, coverage, lot size, etc.) should be subject to administrative adjustment by the Community Development Director of up to 10% deviation from the ordinance requirements. The zoning ordinance should be amended to include these procedures.
9. The minimum parcel size for planned residential developments should be eliminated.
10. The requirement for a planned residential development or conditional use permit should be eliminated for common interest subdivisions on private streets which meet minimum lot size requirements. Review would



be by Site Plan Review Committee and Planning Commission at Tentative Subdivision hearing.

11. The conditional use permit requirement should be eliminated for multi-family projects on land zoned for multi-family development, provided that all conditions of the zoning are met.
12. Whenever practical, the City shall undertake zone change actions on a citywide or areawide scale, rather than individual zoning actions being initiated by applications of private parties or developers.

HOUSING TASK FORCE  
GOVERNMENT REGULATIONS SUBCOMMITTEE  
CONSENSUS PAPER GR-4

SUBDIVISION MAP ACT AND LOCAL  
SUBDIVISION ORDINANCES

Notification requirements for subdivisions and parcel maps resulting from the Horn vs. County of Ventura decision were discussed. Current procedures require preparation of maps and lists of property owners with addresses to be provided to the City with any land use application. These persons are then notified by mail of the impending public hearing.

Consultation with City Attorney Steve Kabot resulted in the opinion that current procedure is the minimum requirement to meet criteria of the court decision. The County of Tulare does not follow this procedure, but instead advertises in local newspapers only. In addition to adding direct costs and time delays to processing (mailing costs, compilation of lists, etc.), current City procedure frequently results in confusion and indirect delays, scheduling problems, increased burdens on staff personnel, etc.

Recent changes in the State Map Act (effective January 1, 1981) provide specific standards on notification, allowing advertisements in local papers in lieu of direct mail contact, provided local ordinances are changed to allow this.

The subcommittee recommends that the City adopt an ordinance permitting minimal notification.

The subcommittee discussed current policies of the City that are extraneous to the State Map Act. These include:

1. The requirement for parcel maps to erase parcel lines prior to issuance of building permits for structures crossing such lines, in cases where owners own multiple parcels being developed as one contiguous unit. This is done to prevent the inadvertent sale of a portion of the assembled parcels. The subcommittee feels that this requirement is of dubious value to the public and adds to staff workload unnecessarily, possibly resulting in some delays in processing other types of projects.
2. The requirement that parcel maps be filed in cases where the Subdivision Map Act clearly does not require such parcel maps. This is currently the practice due to the absence of a local lot line adjustment ordinance delegating authority from the local governing body (City Council) to an administrative agency such as the Site Plan Review Committee or the Community Development Director to approve lot line adjustments. Public hearings would not be required by state law nor would final maps, improvements, etc. unless the need for such improvements results from the lot line adjustment itself. A simplified lot line adjustment ordinance would reduce staff workload, possibly helping to expedite other types of project applications.
3. Current State law allows for waiving parcel map filing requirements for State agencies. The City should be encouraged to waive map filing requirements for properties involving public agencies.

4. The City should act to amend the local ordinance to allow for waivers of final map requirements in cases as allowed by State law (Subdivision Map Act).

CITY SUBDIVISION POLICIES:

The subcommittee discussed current policies for recording final subdivision maps. Current procedure requires that a subdivider pay all development fees, provide letters of credit, bonds or other security approximately one week before the Council meeting at which the final subdivision map is accepted by the City. The subdivider may then pay or bond for taxes due and payable, or due and not yet payable, or estimated but not yet due or payable. This arrangement must be made with the Clerk of the Board of Supervisors no later than Thursday of the week of City acceptance of the map in order for the Tulare County Board of Supervisors to approve the subdivision on the Tuesday of the week following approval of the subdivision by the City Council. The final map is then forwarded to the County Recorder for recording the next day or the day after. The subcommittee felt that current procedures do cause some level of difficulty to developers by requiring in some cases that the financing institution supply subdivision fees and/or improvement security as much as two to three weeks prior to recordation of the development loan behind the final map.

It was suggested that the City and County could through, increased levels of communication, develop a better system of recordation. When the developer requests that his project be put on the Council agenda for approval, he could at that time also arrange for tax clearance with the County. The City could



then transmit to the County on the Thursday before the Council meeting a list of subdivisions to be considered by the Council. This process would permit those projects to be placed on the Board of Supervisors agenda for the meeting on the Tuesday immediately following the City Council approval of the project.

The subcommittee further recommends that subdivision cash payments and improvement security not be required until 4:00 p.m. the day of the City Council meeting. If adequate provisions have not been made by 4:00 p.m. the day of the meeting, the first action of the City Council would be to delete that map from the agenda. If such a procedure were followed, it would have the effect of easing the difficulties caused by the current process as well as directly saving one week of processing time for all projects involving a final subdivision map.

HOUSING TASK FORCE

CONSENSUS PAPER GR-3

CALIFORNIA ENVIRONMENTAL QUALITY ACT  
(CEQA) REGULATIONS

It was determined that there was little in the way of major changes in the process which would be within the City's power to make. In the Visalia area, current environmental regulations, as applied to individual residential projects, generally accomplish little in the way of true environmental protection, but are sometimes used by project opponents to delay or urge denial of projects. Environmental processing requires time-consuming and costly paperwork for City staff, contributing to delays in all types of processing by adding to staff workload.

Reforms or changes in current procedures should be considered carefully to ensure that any meaningful environmental protections are maintained.

A number of minor changes were discussed. The Housing Task Force recommends the following action:

1. Require only one Environmental Assessment Questionnaire for any given project. Current practices require a questionnaire be submitted with each application made for the same project (example: Annexation, Conditional Use Permit, Change of Zone, Subdivision).
2. The City shall utilize Master Environmental Impact reports prepared at City expense in areas planned for development, and in all situations where feasible.
3. The City shall not require environmental evaluation in master planned areas or other areas with Master EIRs, where development is in conformity or only at minor variance with the Master Plan.

## NORTHEAST AREA MASTER PLAN

### INTRODUCTION

The Northeast Area Master Plan, adopted in 1979, represented a major achievement on the part of the City of Visalia: a pro-active planning tool for a relatively undeveloped area which combined good urban design, adequate open space, a variety of land uses and the capability of planning for public works improvements. The Housing Task Force has examined the Northeast plan, as it has examined other city policies and ordinances which have an effect upon housing costs, in the spirit of seeking modifications and improvements, where appropriate, which contribute to housing affordability in our community.

Although the need for low and moderate income housing certainly existed when the plan was being developed, the task force recognizes that the plan was formulated at a time when there was little awareness or concern about housing problems by the general public. In light of the unprecedented changes which have occurred since the plan was adopted, both in terms of the housing market and the economy in general, and also in light of the changes which have occurred in public awareness and priorities, the Housing Task Force suggests that the City Council re-examine various components of the Northeast Plan which may impact the provision and/or cost of low and moderate income housing.

Because the northeast is designated to be the major residential growth area over the next 10 to 20 years, the Housing Task Force considers the review of the Northeast Plan, in light of current housing conditions, to be of special importance. If the recommendations of the task force which are ultimately adopted are not applied to the Northeast Plan area, the result will be to severely minimize their impact on the local housing situation.

### DENSITY AND PLAN FLEXIBILITY

In evaluating the flexibility of the Northeast plan, most objections center around the adopted density allocation system of controlling development. This system evolved from a perceived shortage of sewer capacity which would not allow full maximum development of all parcels in the Northeast plan area. It is extremely unlikely that development, if allowed to occur within ordinary zoning constraints, would result in overall densities within sewer service areas that exceed the capacity of individual lines. By allocating densities on a parcel-by-parcel basis, utilizing fixed numbers of units instead of a range of densities as provided by zoning, the plan essentially dictates a single product type within the given zone category. The system which was developed to allow variation of density has turned out to be extremely complicated and difficult to monitor, essentially being a density transfer system of development rights. Development rights which ordinarily run with the land become essentially a transferable separate interest.



City staff, working with developers in an effort to provide more flexibility of development within the Northeast plan area, included provisions in the plan to allow unused density to be transferred to a density pool, which would then be reallocated at the discretion of the Planning staff and Planning Commission to various projects which propose densities higher than that allocated under the plan. In theory this provides tight control over development densities, while still allowing for flexibility of development. However, in practice the function of this type of system is likely to be very unwieldy and complex, requiring a much greater amount of staff time to administer.

In evaluating the impact of the sewer capacity on development in the area, one should consider that if the plan had been developed in the complete absence of any sewer facilities, and development densities were controlled only limitations on the specific zone rather than by density allocation, it is almost certain that subsequent planning for construction of sewer facilities to serve the area would consider average overall densities of each individual service area rather than the theoretical maximum developable density of each parcel. The resulting sewer system in all likelihood would contain pipe sizes and capacities very near those pre-existing in the Northeast plan area. Conventional engineering practice is to evaluate the total impact of a given service area that would result from the most likely overall density of each service area including an accepted safety factor. The odds of each and every parcel within the Northeast plan area developing to precisely its maximum density are infinitesimal, although admittedly somewhat more likely in the future than in the past.

At a total density of 8,800 units, the Northeast plan was projected to develop over a total period of approximately 10 years. It should be noted that this projected planning period assumed an average total growth rate of 1,200 units per year with large percentage of that growth occurring in the plan area. Total residential development in each of the preceding two years has been approximately 400 units and it is very likely that 1982 will be in the same range. Even if we assume that this rate more than doubles, no more than 600 to 800 units per year would be expected to develop in the plan area. Most complaints about the density allocation are centered around the fact that the allocations themselves result in a maximum developable density somewhat less than would ordinarily be allowed under the appropriate zone designation. For example, property zoned R-1-6 typically can be developed to 7.2 units per acre, with additional development rights possible on a discretionary basis through the provision of low and moderate income housing. However, the same property zoned R-1-6 in the Northeast plan area is limited to a maximum density of approximately 5.5 units per acre under all circumstances. This translates to about a 25% reduction in density within the Northeast plan area from what would be allowed elsewhere under the same zoning category. If the density allocation system were removed and replaced with ordinary zoning controls, and if the very unlikely situation occurred where all parcels developing in a given year developed to maximum density under the zoning category, then assuming 800 units per year were developed in the Northeast plan area, development would have exceeded the allocated density by approximately 200 units. Again this is very unlikely, however,



if it did occur, 200 excess units distributed over the half-dozen sewer service areas could easily be absorbed or corrected by adjustments in City policy adopted in reaction to this trend. In other words, this concept would require annual monitoring by City staff but would not result in any irreversible overloading of sewer systems. Fifty units or so in each service area could be redistributed over the entire service area at almost no negative impact to individual parcels.

If the allocation system were rejected in favor of ordinary zoning controls, the city would have the flexibility of complying with state law in implementing a density bonus program encouraging more projects of this type, including low and moderate income housing. The fee structure could be modified as well to reflect a charge assessed to the property based on land area per zoning designation rather than a fee on a per-unit basis. The total charge to each developable parcel would be precisely the same and the fee would simply be collected at time of building permit on a prorated basis based upon the final density of the developed project.

### AMENITIES

A concern encountered in discussions of the Northeast Plan is the level of amenities provided by the plan, which may unnecessarily add to housing costs and contribute to the exclusive character of the Northeast area. The Housing Task Force set out to examine the level of amenities provided and to determine if amenities were significantly more costly than those provided in other parts of Visalia.

#### 1. Landscaping along arterials

According to published reports, it is estimated that landscaping will cost \$1,417,513. This assumes 50 to 60% of landscaping would have occurred regardless of the plan.

#### 2. Block wall along arterials

It has been estimated that the wall will be 34,000 linear feet; assuming a cost of \$30 per linear foot, that equals \$1,020,000.

#### 3. Drainage swales

Two swales, one 2600 feet long and the other 2,100 feet long, width of 75 feet, six feet deep. Total land area of two swales equals 8.08 acres ( $2600 \times 75 + 2100 \times 75 \div 43560 =$ ). Assuming a cost of \$30,000 per acre for land, \$10.50 linear foot for excavation, \$.50/linear foot for landscaping, the total cost of the two swales would be \$470,600 or \$100/ft. The equivalent storm drain line is estimated to cost \$25/ft. (\$117,500.)

4. Off-road bike paths

Eight (8) miles at \$12 per foot (8 ft. wide) 5,280 feet per mile  
 $8 \times 5,280 \times \$12 = \$506,880$ .

5. Undercrossings for pedestrians and bikes

Cost unknown.

6. Street furniture, lights, signs

All with a common architectural theme - Cost unknown.

7. Open Space

Four park/ponds, 32+ acres

School site, approximately 100+ acres

Drainage swales, 8.08 acres

off-street bike paths, 7.74 acres

Total 147.83 acres

Based on 7.6 acres/1000 population (according to Parks & Recreation Element) the Northeast would need 174.8 acres to serve a population of 23,000. The 7.6 acres/1000 includes only neighborhood and community parks, school open space and private open space. The St. Johns River Park is a regional facility, but adds an additional 60+ acres of open space.

ANALYSIS & RECOMMENDATIONS

1. Landscaping along arterials

Landscaping widths along the arterials should be established at a width which is consistent with city policies elsewhere in the community. Wider landscaping areas do not necessarily result in a better appearance. It is recommended that landscaping policies be established with an emphasis on continuity and quality of landscaping provided rather than on width. Along some street sections the right-of-way width assumed the location of a drainage swale alongside the street. Subsequent modification of the storm drainage master plan eliminated this drainage swale in most cases. In this situation the right-of-way and landscaping widths should be re-examined and modified where appropriate.

2. Block wall along arterial

The cost of the block wall along arterial streets is estimated to cost slightly over \$1,000,000. This cost assumes a unit cost of \$30/lineal foot, or a cost per unit of over \$115. It is felt that a unit cost of \$30/lineal foot is not sufficient to cover some of the more expensive wall alternatives that have been discussed.

A committee involving Ben Owens, Laurel Barton, Ernie Vierra, Don Fulbright and Mike Knopf met on several occasions to discuss block wall alternatives along the arterial streets in the Northeast plan area. This group viewed many slides of different wall treatments and concluded that even the most expensive wall treatments were not attractive without appropriate landscaping to buffer the wall effect, and that even a very modest type of wall could be made to appear quite attractive with appropriate landscaping treatment. This group recommended that the wall itself be de-emphasized along arterial streets with the City using the least cost alternative with additional emphasis on offsetting setbacks and landscaping. This would allow additional detailing and appointments along intersections and other areas spaced intermittently along the walls using the river rock theme within the landscaping rather than on the wall itself.

The Housing Task Force also discussed the concept of walls along arterial streets and felt that, even at best, the wall approach was not the ideal treatment. The Task Force feels that orientation of units to provide for visibility of buildings and open spaces within the project from the arterial street would provide a more attractive view than the walled-off approach. Any resulting savings in the cost of wall construction could be applied to other accounts, partially offsetting their costs.

### 3. Drainage swales

During the formulation of the Northeast plan, the consultants originally planned to depend primarily on a series of open drainage swales to handle storm water runoff and direct this runoff into a series of multi-purpose park/ponding basins. Due to a number of factors, most importantly the relatively flat terrain, the consultants later backed off this concept and provided a plan that did not include the use of any storm drainage swales. The City Engineering Department recommended that certain areas be served by swales as originally contemplated, and two of the drainage swales were put back into the storm drain master plan. After conferring with representatives of the Engineering Department, it was learned that these two drainage swales serve a relatively small land area stretching for a few hundred feet on either side of the swales.

The Engineering Department provided a cost estimate of \$25/lineal foot to provide an equivalent closed conduit storm drain line sufficiently sized to handle the same runoff area served by the drainage swales. Development costs were calculated for the proposed swale system and it was shown that estimated costs for the swales would be \$100/foot or four times the cost of a traditional storm drain line. Land cost has been included in this estimate, because although it may not be purchased directly by the City, the land is a factor in the overall cost of the swale system even if it is dedicated by the developer. Ongoing, long-term maintenance costs were not calculated; however, it is obvious that the cost of grooming and maintaining the swale system would be far more expensive than the cost



of maintaining the traditional closed conduit storm drain system. In some cases (for example along the easterly limits of the Northeast plan) the swale seems to have been located for convenience even though there appears to be little practical need for a bike path and storm drainage swale at that location. The committee would recommend that the drainage swale concept be re-examined, with a possible reduction in width and development cost of the swale systems to reflect the primary purpose as a location for pedestrian and bike paths rather than drainage. This re-evaluation might also suggest a relocation of the open space, bike path/pedestrian ways to reflect the emphasis of these areas toward bike path rather than drainage purposes.

#### 4. Off-road bike paths

Exact data was not available, however it appears that the total length of off-road bike paths provided and financed by the Northeast plan assessment includes the bike path along the St. Johns River Parkway. This total footage may also include bike paths in areas that are not essential such as along the power line at the east edge of the project study area mentioned earlier. It is recommended that the location of the proposed off-road bike paths be carefully examined to insure adequate need exists for the bike paths at the locations proposed. The bike path system should also be evaluated to determine whether the bikeways along the St. Johns River Parkway are being financed by the Northeast Plan area assessment. If this is the case, it would appear that the bikeway along the St. Johns River is more in the nature of a regional bikeway, and should not be paid for solely by residents of the Northeast plan area. It appears from the plan information that the construction costs of the off-road bikeways assume a Portland cement concrete bikeway. It is recommended that alternative materials and construction techniques be evaluated to arrive at the most cost effective construction alternative, considering the relatively light loading that most bicycle paths typically receive.

#### 5. Undercrossing for pedestrians and bikes

The need for grade separated undercrossings should be re-evaluated to determine whether the need was sufficient to justify the cost. It appears as though some problems which are proposed to be solved by the undercrossings should have been addressed by locating grade separated crossings properly in the plan. This committee would recommend additional evaluation of grade separated pedestrian crossings both in terms of location and evaluating cost effectiveness as compared to other alternatives such as signalized crosswalks, etc.

#### 6. Street furniture, lights, and signs

These items probably provide the most cost effective identifying element for the plan area. The task force recommends that emphasis be placed on continuity and cost effectiveness of the items proposed, rather than the provision of more expensive items of "extras".



## 7. Open space

A concern in calculating required open space raised previously by the task force was the policy of excluding regional facilities from the open space figure. The task force recognizes the differing nature and need of regional versus community parks, but felt that in some instances (particularly along the St. Johns River Parkway) this regional facility was also meeting a neighborhood need. This is in contrast with other regional facilities such as Plaza Park, Mooney Grove and Cutler Park which clearly cannot double as community open space. If the St. Johns River Parkway is included in the total open space figure, then there are 207.82 acres of open space provided in the Northeast plan area, or approximately 33 acres over the figure recommended within the Parks and Recreation Element. This figure could be reduced somewhat if the width of the drainage swale/bike paths was reduced to 25 feet, thus eliminating approximately 5 acres of open space. Some of the park/ponds probably serve more as storm drains than as neighborhood parks, and could possibly be converted to low maintenance ponding or retention basins rather than the combination multi-purpose park/pond basin. The park/ponding basin located east of the school site and the park/ponding basin located at the southwest corner of the plan area, and possibly the park/ponding basin located at the southeast corner of the plan area, could be redesigned or relocated to function strictly as drainage facilities. Any such modification of the multi-purpose park/ponding basis ought to be undertaken with participation of the Parks and Recreation Committee to assure that specific neighborhood requirements are adequately met.

There does appear to be some validity to the claim that a higher level of amenities is provided for in the Northeast plan. Another concern relates to the ongoing maintenance costs of those amenities, as well as the initial construction and acquisition costs. The monthly assessment for homes within the area is assumed to be \$8.00 per month in 1979 dollars. This figure could climb rapidly and eventually have a substantial adverse effect on mortgage qualification in the lower range of the housing market.

The task force supports the concept of special assessment districts in specific plan areas. These special assessment districts provide an efficient method of distributing special maintenance costs in a fashion which is more economical and practical in many cases than individual homeowners associations. In the case of landscaping along arterial streets and bikeways through neighborhoods, these assessment districts provide the most equitable means of paying for the maintenance of these facilities. It appears, however, that these assessments include the maintenance of many facilities, such as parks and other public improvements, ordinarily supported by other tax dollars. The task force feels strongly that community facilities such as neighborhood parks and area wide storm drain systems, should not be included in these monthly assessment costs. This has the effect of causing homeowners in the Northeast plan area to pay a double charge for those same services, since they also pay taxes to the City on a similar basis as the remainder of the community. Planning staff, in evaluating the monthly assessment, was

having difficulty in determining exactly what was included in the fee. It is suggested that this fee be carefully re-evaluated to insure that it accurately reflects the final adopted plan, as well as to determine which, if any, community services are included in the monthly assessment.

#### STORM DRAINAGE

The task force has identified the following concerns with respect to the storm drainage plan for the Northeast plan area:

1. Whether the proposed system is the most practical and cost effective possible.
2. Whether development sequencing has been properly considered.
3. Whether the proposed swales are justified by cost and engineering considerations alone, or if open space is the primary consideration.
4. Whether the fee structures represents the final adopted plan or an earlier version which was later rejected or modified.

In response to these concerns, the task force offers the following recommendations:

1. That the existing storm drainage plan be restudied from the standpoint of overall cost-effectiveness, redundancy, and development sequencing.
2. That the fee system be re-evaluated based on final actual design concepts.
3. That the City develop plans, schedules and policies for the installation of those portions of the system to be provided by the city.

#### STREET STANDARDS

Narrower streets were offered as a trade-off for other costs related to the Northeast plan, but the task force feels that if narrower streets are appropriate, they should not be considered a trade-off, but rather should be encouraged on their own merit. In addition, narrower streets than have been approved for the Northeast plan area are being evaluated for consideration in other areas of the city. If narrower standards are adopted city-wide (and this committee supports such adoption) then the Northeast plan street standards may actually have a punitive effect on development located within the Northeast plan area.

Sidewalks are presently required on both sides of all streets, including local streets, in the Northeast plan area. The necessity of sidewalks on local streets has not been fully demonstrated, and if a genuine need does exist, they should be limited to one side of the street.

The parkway/street tree program for the Northeast plan area requires a total right-of-way width of 24' beyond the paved street area. Total street right-of-way width resulting is 56'. Further land savings should be possible with alternative street right-of-way designs. Another concern related to this item is that parkway or tree strip alternatives place sidewalks adjacent to the street right-of-way line. This means that if sufficient setback is provided behind sidewalk areas for vehicle storage (22'), the effective front yard setback that results is greater than would otherwise be required, resulting in the use of more land area for each lot.

### Recommendations

1. In evaluating the costs of the Northeast plan, calculations should not include savings resulting from the inclusion of narrower street standards in the plan. Narrower streets resulting from advance circulation planning should be perceived as a benefit of the specific plan process, rather than as offsetting some detrimental effect of the plan process such as increased costs of additional amenities.
2. Following adoption of new street standards city-wide, the Northeast plan should be evaluated and amended to include any changes in street standards which may be necessary to assure consistency with other city-wide street standards if such street standards are narrower than those previously approved as a part of the Northeast specific plan.
3. The need for sidewalks on local streets should be carefully evaluated. This evaluation should take into consideration existing developments with and without sidewalks to determine the functional necessity of requiring them, and should balance the concerns of schools and other special interests who strongly favor the requirement of sidewalk construction against the direct and indirect costs of the requirement and resulting benefits. If it is determined that sidewalks are a necessity on local streets and that the value and benefit of sidewalks clearly warrants the combined direct and indirect costs of construction, then procedures and policies should be developed to permit the provision of sidewalks on only one side of local streets.
4. Evaluate alternative street section designs for the possibility of providing adjacent sidewalks, narrower right-of-way widths, and revised street tree programs to address the concerns noted. Careful coordination with utility companies could result in narrower rights-of-way and result in land savings, while still allowing for city-wide street tree programs in whatever form that may be approved.

### HOUSING TYPES

Mobilehome Parks. It is of concern to the Housing Task Force that the Northeast plan contains no specific provision for mobilehome parks or subdivisions, and does not provide the necessary zoning for these types of developments. The task force recommends that the recommendations previously proposed by the task force regarding mobilehomes be adopted and applied city-wide.



Low Income Housing The Housing Task Force is similarly concerned that the Northeast plan makes no specific provision for low income housing. The task force recommends that the City re-examine the Northeast plan to allow for the adoption of specific incentives for the provision of low and moderate income housing. Such incentives might include density bonuses, fee waivers, and other programs which the task force has recommended be adopted.

#### NORTHEAST PLAN ASSESSMENTS

Comparisons have often made demonstrating that development fees in the Northeast Plan area are higher than development fees elsewhere in the community. Upon examination of the Northeast Plan area fee structure, it is apparent that this increased fee amount is caused by two factors.

1. Special amenities: Certain assessments are imposed in the Northeast plan area to reflect special amenities provided which are not provided elsewhere in the community. These amenities include such specialized treatments as median landscaping, special wall treatments and bikeways. As mentioned earlier, the housing committee favors the use of the assessment approach in paying for the cost of these amenities and distributing these costs over the entire neighborhood. Increased assessments in the Northeast Plan area resulting from such amenities would seem to be appropriate and consistent with the committee's previous recommendations.
2. Change in public policy: A portion of the increased assessments in the Northeast Plan area appears to result from a change in public policy towards financing development costs. This change in policy apparently occurred about the time the Northeast Plan was being developed. This policy involves charging the total cost of improvements within an area including such items as parks, widening for arterial streets, etc. which are generally financed elsewhere in the community out of general fund or community-wide revenue sources.

Recommendation: The committee recommends that the Northeast Plan assessments be evaluated, as mentioned previously, for accuracy with final adopted plan components, and modified where necessary to provide consistency with other areas of the community and with the philosophy of fee assessment outlined in the previously adopted consensus paper entitled "City Fees".

With the unprecedented changes that have occurred in the housing market and the financial system which traditionally has supported the housing market, it does not seem wise to continue with a system which places undue restrictions on the future market trends of housing. Even individuals who are intimately involved in the housing industry are unable to predict with any certainty the form and financing of the future housing market. It is very important, therefore, to make every effort to allow flexibility for adapting to change within the industry which may be necessary to provide for the future needs of the community.



## PARKING STANDARDS

The Housing Task Force feels that current City parking requirements are a serious impediment to the development of multiple family housing by causing significant reductions in overall density of property, and in causing reductions of open space.

The City of Visalia has increased the per unit parking requirement over the last couple of years from 1.25 spaces per unit with no guest parking spaces to the current 2 spaces per unit (one covered), with guest parking being required on larger projects.

Utilizing current economic standards for multiple family construction (i.e. 2 story construction), it is virtually impossible to build at the cities R-3 density, because of the current parking standards.

This Task Force has agreed that history would indicate that this ratio is far too stringent. Older apartment complexes utilizing the lesser parking standards has not created a substantial problem.

The Task Force recommends that the following parking standards be adopted:

1. No covered parking is required (Results in a savings of \$600 to \$1500 dollars per unit)
2. Minimum parking ratio, assuming on-street is available for guest. (Results in a savings of approximately 2000-2500 dollars per unit in a R-M-3 density project and a savings in lower density projects would be approximately 500.00)

2 Bedroom and above	1½ spaces/unit
1 Bedroom	1¼ spaces/unit
Studio	1 space/unit

These standards assume that some on-street parking is available for guest and tenants, and that one space is assigned to each unit.

In cases where no on-street parking is available an additional 1/4 space per unit should be provided on site for guest parking. No less than 2 guest parking spaces per project.

Another alternative to consider to help provide sufficient on site parking is to prohibit assigned parking. Please see City multiple family parking study for recent results on existing Visalia projects. A second alternative would be to allow tandem parking in meeting guest parking needs. This is based on the likelihood that if a guest has parked in the tandem space, the tenant would not be leaving while their guest is present.

According to the City Building Department there has been a large number of garages converted to a habitual living space. Unfortunately, a very few go through the building permit process. The reason that the owners cannot legally convert their garages is based on the covered parking requirement in the Zoning Ordinance and further restriction which prohibit in the setback. The Housing Task Force feels that this type of conversion is desirable and should be encouraged because: 1) it allows families to economically expand their existing house to meet expanding housing needs; 2) this space may be easily converted back into a garage. Present Zoning Ordinances do not allow garage conversions where the setback must be used for parking. This causes concern from building officials because of health and safety code violations may be produced as a result of this conversion taking place without permit or inspection.

In recognition of this situation, it is recommended that conversions be accommodated by elimination of the covered parking requirement and further amending the regulation that the required parking be allowed in the driveway (setback).



PARKING STUDY  
SEPTEMBER 1981  
VISALIA PLANNING DEPARTMENT



## THE BARCELONA APARTMENTS

### GENERAL INFORMATION

The Barcelona Apartments are located on Demaree, they consist of 38 units. The 38 units are divided into 12 one bedroom and 26 two bedroom units. Presently, there are no vacancies. Each apartment is assigned a parking space.

The total number of parking spaces is 50, with a ratio of 1.3 spaces per unit. There are 40 covered spaces and 10 open spaces.

### PARKING DATA

I. 6 AM Count	Saturday 9/5	Sunday 9/6	Monday 9/7	Tuesday 9/8	Wednesday 9/9	Saturday 9/19	Average
A. Occupied Spaces	34	33	33	36	37	34	35
B. Percent Filled	68%	66%	66%	72%	74%	68%	70%
C. On-Street Parking	7	8	7	6	9	6	7
D. Total Cars	44	41	40	42	46	40	42
II. 6 PM Count							
A. Occupied Spaces	22	31	29	29	30	23	27
B. Percent Filled	44%	62%	58%	58%	60%	46%	55%
C. On-Street Parking	6	8	6	4	5	7	6
D. Total Cars	28	39	35	33	35	30	33
III. 10 PM Count							
A. Occupied Spaces	27	32	38	36	33	30	34
B. Percent Filled	54%	64%	76%	72%	70%	60%	68%
C. On-Street Parking	8	6	7	9	8	7	8
D. Total Cars	35	38	45	45	43	37	42
IV. Average Spaces Occ.	28	32	33	34	37	29	32
Total Percent Occupied	53%	64%	67%	67%	75%	58%	64%
Average On-Street Parking	7	7	7	6	7	7	7
Total Average Cars	35	39	40	40	44	36	39

## 200 WEST CALDWELL

GENERAL INFORMATION

September 1981

The 18 unit apartment complex is located at 200 West Caldwell, the complex consists of one and two bedroom units. There are no vacancies and parking is assigned. There are 34 parking spaces, a ratio of 1.9 parking spaces per unit. There are 26 covered spaces and 8 open spaces.

PARKING DATA

I. 6 AM Count	Saturday 9/5	Sunday 9/6	Monday 9/7	Tuesday 9/8	Wednesday 9/9	Saturday 9/19	Average
A. Occupied Spaces	15	15	15	19	17	16	16
B. Percent Filled	44%	44%	44%	56%	50%	47%	47%
C. On-Street Parking	3	3	5	3	1	2	3
D. Total Cars	18	18	20	22	18	18	19

## II. 6 PM Count

A. Occupied Spaces	13	12	15	12	16	17	14
B. Percent Filled	38%	36%	44%	38%	47%	50%	41%
C. On-Street Parking	4	2	3	2	2	3	3
D. Total Cars	17	14	18	14	18	20	17

## III. 10 PM Count

A. Occupied Spaces	12	13	24	24	22	14	18
B. Percent Filled	36%	38%	71%	71%	64%	41%	52%
C. On-Street Parking	2	3	1	1	2	6	3
D. Total Cars	14	16	25	25	24	20	21

IV. Average Spaces Occ.	13	13	18	18	18	20	17
Total Percent Occupied	39%	39%	53%	54%	54%	58%	49%
Average On-Street Parking	13	13	15	16	16	17	17
Total Average Cars	26	26	33	34	34	37	34

# WHITNEY MANOR APARTMENTS

## GENERAL INFORMATION

September 1981

The Whitney Manor Apartments are located on Campus Drive, and consists of 48 units. The 48 units are divided into 8 one bedroom, 32 two bedroom and 8 three bedroom units, presently there are no vacancies. Apartment tenants are assigned parking spaces according to occupant need. There were no vacancies during the parking study. There are 60 parking spaces, 1.25 spaces per unit. The spaces are all covered, each space is 9 X 18, 30 feet of maneuvering and at 90 degrees.

### PARKING DATA

I. 6 AM Count	Saturday 9/5	Sunday 9/6	Monday 9/7	Tuesday 9/8	Wednesday 9/9	Saturday 9/19	Average
A. Occupied Spaces	32	29	30	34	35	32	32
B. Percent Filled	53%	48%	50%	57%	58%	53%	53%
C. On-Street Parking	14	18	23	18	24	17	19
D. Total Cars	46	47	53	52	59	49	49
II. 6 PM Count							
A. Occupied Spaces	20	22	28	25	28	25	25
B. Percent Filled	33%	36%	46%	42%	46%	42%	41%
C. On-Street Parking	16	17	21	22	18	16	18
D. Total Cars	36	39	49	47	46	41	43
III. 10 PM Count							
A. Occupied Spaces	28	31	41	38	39	30	35
B. Percent Filled	46%	52%	68%	63%	65%	50%	58%
C. On-Street Parking	17	28	26	28	27	24	25
D. Total Cars	45	59	67	66	66	54	60
IV. Average Spaces Occ.	27	27	33	32	34	29	30
Total Percent Occupied	44%	46%	55%	54%	57%	48%	50%
Average On-Street Parking	16	21	23	23	23	19	21
Total Average Cars	43	48	56	55	57	48	51

# MURRAY & GOSHEN

## GENERAL INFORMATION

September 1981

The apartments are located on the 800 block of Murray and Goshen, all are one and two bedroom units. There are 24 units located on this block with all parking assigned. The information on vacancies was not able to be gathered.

There are 40 parking spaces for the complex, a ratio of 1.7 spaces per unit. Twenty of the spaces are covered. The size of each space is 9 X 20 with 25 feet of maneuvering at a 90 degree angle.

## PARKING DATA

I. 6 AM Count	Saturday 9/5	Sunday 9/6	Monday 9/7	Tuesday 9/8	Wednesday 9/9	Saturday 9/19	Average
A. Occupied Spaces	23	22	22	24	22	21	22
B. Percent Filled	58%	55%	55%	60%	53%	52%	53%
C. On-Street Parking	0	4	3	3	5	1	3
D. Total Cars	23	26	25	27	27	22	25
II. 6 PM Count							
A. Occupied Spaces	19	16	22	19	24	14	19
B. Percent Filled	45%	40%	55%	48%	60%	35%	47%
C. On-Street Parking	0	4	5	5	3	4	4
D. Total Cars	19	20	27	24	27	18	23
III. 10 PM Count							
A. Occupied Spaces	20	26	26	25	24	18	23
B. Percent Filled	50%	65%	65%	63%	60%	45%	57%
C. On-Street Parking	2	4	4	5	3	2	3
D. Total Cars	22	30	30	30	27	20	26
IV. Average Spaces Occ.	21	22	23	23	23	18	22
Total Percent Occupied	51%	53%	58%	57%	58%	44%	54%
Average On-Street Parking	1	4	4	4	4	2	3
Total Average Cars	22	26	27	27	27	20	23



# COURT - TULARE

## GENERAL INFORMATION

September 1981

The apartments located on the west side of Court, south of Tulare. There are 24 one and two bedroom units, during the study there were no vacancies.

There are 34 parking spaces and all spaces are assigned. The size of each space is 10 X 20 feet, 30 feet of maneuvering, 90 degree angle. The parking ratio is 1.4 parking spaces per unit.

### PARKING DATA

I. 6 AM Count	Saturday 9/5	Sunday 9/6	Monday 9/7	Tuesday 9/8	Wednesday 9/9	Saturday 9/19	Average
A. Occupied Spaces	22	23	26	23	27	20	23.5
B. Percent Filled	65%	68%	77%	68%	79%	59%	68%
C. On-Street Parking	3	2	3	2	2	2	2
D. Total Cars	25	25	29	25	29	22	25.5
II. 6 PM Count							
A. Occupied Spaces	20	21	23	14	17	20	19
B. Percent Filled	59%	62%	68%	41%	50%	59%	55%
C. On-Street Parking	6	3	2	3	3	3	3
D. Total Cars	26	24	25	17	20	23	22
III. 10 PM Count							
A. Occupied Spaces	26	22	24	21	25	22	23
B. Percent Filled	77%	65%	71%	62%	74%	65%	67%
C. On-Street Parking	5	4	3	3	2	6	4
D. Total Cars	31	26	27	24	27	28	27
IV. Average Spaces Occ.	23	22	24	19	23	23	22
Total Percent Occupied	60%	65%	72%	57%	68%	60%	64%
Average On-Street Parking	5	3	3	3	2	3	3
Total Average Cars	27	25	27	20	24	23	24

# HILLSDALE TERRACE WEST - HILLSDALE

## GENERAL INFORMATION

September 1981

Hillsdale West, located at 3902 Hillsdale Drive, is a 45 unit multiple family complex. One unit was vacant during the parking study. The apartments are a mixture of one and two bedrooms.

There are 66 parking spaces in the complex, which is a ratio of 1.5 parking spaces per unit. Of the 66 spaces, 50 are covered. The size of each space is 9 X 18 feet, maneuvering area is 25 feet, angle is 90 degrees.

## PARKING DATA

I. 6 AM Count	Saturday 9/5	Sunday 9/6	Monday 9/7	Tuesday 9/8	Wednesday 9/9	Saturday 9/19	Average
A. Occupied Spaces	44	43	45	45	51	45	46
B. Percent Filled	66%	65%	68%	68%	77%	68%	69%
C. On-Street Parking	5	8	4	3	3	4	5
D. Total Cars	49	51	49	48	54	49	51

## II. 6 PM Count

A. Occupied Spaces	38	41	41	39	42	33	39
B. Percent Filled	58%	62%	62%	59%	63%	50%	59%
C. On-Street Parking	5	5	8	9	3	6	6
D. Total Cars	43	46	49	48	45	39	45

## III. 10 PM Count

A. Occupied Spaces	40	46	52	51	50	42	47
B. Percent Filled	61%	70%	79%	77%	75%	62%	71%
C. On-Street Parking	6	4	7	8	7	8	7
D. Total Cars	46	50	59	59	57	50	54

IV. Average Spaces Occ.	41	43	46	45	48	40	44
Total Percent Occupied	62%	66%	70%	68%	72%	61%	66%
Average On-Street Parking	5	6	6	7	4	6	6
Total Average Cars	46	49	52	52	52	46	50

COMPARISON OF VISALIA WITH  
OTHER CITIES - PARKING STANDARDS

<u>PARKING RATIO</u>					
<u>CITY</u>	<u>BY UNIT</u>	<u>BY BEDROOM</u>		<u>GUEST PARKING</u>	<u>COVERED</u>
		<u>2 or less</u>	<u>2 or more</u>		
Visalia	2/Unit	-	-	-	1/Unit
Costa Mesa	-	.65/Unit	1/Unit	.1/Unit	-
San Buenaventura	-	1.25/Unit	1.75/Unit	1/4 Unit	-
Corona	2/Unit	-	-	-	-
Clovis	2/Unit	-	-	1/5 Units	2/Unit
Irvine	-	1.5/Unit	1.8/Unit	1/5 Units	1/Unit
Semi Valley	2/Unit	-	-	1/5 Units	1/Unit
San Rafeal	-	1.5/Unit	2/Unit	1/3 Units	1/Unit
Thousand Oaks	-	1/Unit	1.5/Unit	-	1/Unit

## HOUSING DENSITY BONUS PROPOSAL

Adoption by the City of Visalia Housing Task Force recommendations regarding the urban boundaries element, improvement standards, subdivision processing, changes in the zoning ordinance, should result in lowering the cost for single family detached dwellings. Nevertheless, these actions in themselves will not have a sufficient impact to make housing affordable for persons of low and moderate income. One way to allow for further cost reduction to meet this special housing need is to provide density bonuses for residential developments specifically built for such families. By increasing the allowable density, (or number of units per acre) on a given parcel, the developer can realize savings in land costs per unit, which may then be passed on to the home purchaser.

State law presently requires that the City grant a density bonus of at least 25%, or provide not less than two other bonus incentives for any housing development for families of low and moderate income. (Government Code section 65915). According to one study, at least 30 local governments in California presently provide such density bonuses.<sup>1</sup>

The Housing Task Force has concluded that any density program adopted by the City should be applicable to rental housing as well as owner-occupied housing. The Task Force has concluded that low income families may not be able to purchase homes; even with the substantial price reductions that could be achieved under an effective density bonus program. Rental units may be the only means of housing for low income families.

The City should make available density bonuses for residential developments which provide a percentage of "affordable housing" or "affordable rental housing" units. The Housing Task Force was unable to agree on a definition of "affordable housing" or "affordable rental housing". Some members feel that the definition of what is affordable should be tied to the cost of construction. Under this proposal, the City would establish ceiling prices for affordable units based on prevailing land cost, construction cost, and a reasonable profit for the developer. Other members preferred a definition which would be based on median income rather than cost alone; ie. affordable housing must cost no more than 25% of median monthly family income; affordable rental housing no more than 20% of median monthly family income.<sup>2</sup> It appears clear that either approach has drawbacks. If land and construction costs continue to rise faster than income, units which meet the first definition could eventually become in fact unaffordable for all persons of low and moderate income, who are the intended beneficiaries of this type of program.

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1. The Feasibility of Density Bonus in Relation to Inclusionary Housing Programs, California Building Industry Association, 1980.

2. As a general rule, a family should spend no more than 25% to 30% of its income for shelter. "Low Income" is generally defined as 80% of median. 25% of low income is therefore the same as 20% of median income. This is probably the lowest rents the city can hope to achieve.



If, on the other hand, the second definition is used, the ceiling price for "affordable units" could be frozen at an unrealistically low level, which might cause the loss of "least cost housing". It seems safe to assume that in the latter situation there would be little or no interest in the density bonus program from the private sector.

The members of the Task Force do agree that a density bonus program is essential and that savings in land cost achieved through density bonuses would make it possible to produce significantly less expensive housing. (ie. approximately \$38,000. for a two bedroom, one bath attached home; \$46,000. for a three bedroom, one bath attached home.

The Housing Task Force feels strongly that a bonus should provide the incentive necessary for developers to utilize this program. The Task Force, therefore, recommends that the following density bonus program be adopted:

- A. The City should make available density bonuses of up to 50% over the existing zoning for residential developments in which 25% of the units meet the criteria listed in Recommendation "B". If a 50% bonus is approved, a development proposed for lands zoned R-1-6 would yield 10.5 units per acre, rather than seven which would otherwise be allowed. Lands zoned R-1-4.5 would yield 14 units per acre, in lieu of ten units per acre.

Additional density bonuses of up to 100% should be considered for exceptional or imaginative projects that meet a special need of the community.

- B. Developers seeking a density bonus for either owner-occupied or rental units would be required to enter into an agreement with the City, setting sales price and rental costs for designated affordable units as follows:
1. The developer will submit the proposed project for review and evaluation. The submittal would include preliminary design, estimated cost of affordable units, sales price or rental cost of affordable units, and the requested density. The proposed project will be processed through site plan review and forwarded to City Council with staff comments.
  2. The Council will review and assess the merits of each proposal on a case by case basis. Factors to be considered would be items such as costs, sales price, rental cost, income level penetration, location, neighborhood compatibility, financing techniques, etc. Emphasis may vary from project to project. The Council should work closely with the private sector, possibly an "AD-HOC" advisory group, to aid with development and construction cost evaluation.
  3. After Council review and evaluation, the Council and developer will meet to discuss the proposed project, and if required, negotiate the sales price or rental cost of the affordable unit, and the density bonus.

4. The Council should also determine the maximum household income that would qualify for purchase or rental of the affordable unit.
  5. For rentals, the City might require a long-term low cost lease of the "affordable units". The City then could re-lease the affordable units to low income families, possibly contracting with the Tulare County Housing Authority to certify the tenants, collect rents and manage the properties.
  6. Units for sale under the Density Bonus program (units that do not involve subsidize prices, private or public). Will be subject to the requirement of all subsequent sales to be owner occupants only. This condition will be for a certain specified period of time, sufficient to discourage short term resale of affordable units to investors. Subsequent loss of such unit from the owner occupied market.
- C. The Housing Task Force has concluded that even these measures may not produce housing that is affordable to those persons who need assistance the most. There are, however, several other measures which the City might take to further reduce the cost of housing:
1. In order to further reduce the sale price of affordable units designated for owner occupancy, the City can consider a number of measures, including waiver of development fees, contribution toward land cost, etc. Under these circumstances, it would be appropriate to institute an equity-recapture provision so that the purchasers of affordable housing units would reimburse the City for its contribution at the time of resale.
  2. For families unable to pay rents in the "affordable rental projects" (at the present time, such rents would be approx. \$216. per month, if set at 20% of median income), the City could subsidize a portion of these rents through a program similar in concept to the H.U.D. "Section 8" Rental Assistance Program. Under the Section 8 Program, the tenant pays 25% of his/her monthly income, and the remainder of the rent is subsidized. A possible source of such funding might be the City's Community block grant and revenue sharing funds.
- D. In some cases the developer may choose to subsidize or provide below market rate units, rather than mix housing types, or the City may choose to subsidize the project to provide lower cost housing. Since the ownership or rental of this type of housing unit is a privilege to the occupant, the resale of such a housing unit should be controlled to eliminate the loss of such a unit from the marketplace.

1. All affordable units for sale should be limited to owner-occupied. In order to enforce this rule, it may be necessary that the City be granted a legal interest in the property, requiring notice and approval of all subsequent transfers of ownership.
2. Affordable units involving below market rate prices resulting in whole or part from financial involvement by a public agency, should be subject to a resale control to prevent a one time windfall profit to the initial purchaser, and subsequent loss of an affordable unit.

The resale price of the owner-occupied unit would be established by the original sales price, plus rate of appreciation over term of ownership and selling expense. An appraisal would be made by an independent appraiser at owners expense, of similar units in the area to determine rate of appreciation. The City would have the first right of refusal, this condition would carry the life of the unit, unless released by Council action.

3. Affordable units sold at below market rate prices due to a private subsidizing agreement by the developer as a part of the density bonus agreement should be subject to a short term resale control, to prevent a one time windfall profit. This resale control would be established with a 2 year sunset clause with a procedure for individual review by the City Council in a case involving a hardship.

SV

MINORITY REPORT CONCERNING  
THE HOUSING DENSITY BONUS PROPOSAL

The effectiveness of any density bonus proposal depends upon the extent to which it is utilized by the development community. If the density bonus provides an appropriate incentive, then restrictions placed upon the developer utilizing the density bonus program would certainly seem to be a reasonable tradeoff.

I believe it is often mistakenly assumed that a given product, simply because it is affordable, will have no shortage of buyers. In many cases the affordability is achieved by changes to the unit itself which make it less saleable in the market place. Buyers of an affordable unit are committing an equally large percentage of their incomes towards the purchase of that unit. Studies have shown that many buyers would rather put off the purchase of a unit that does not meet their expectations rather than buy something that they are able to afford. While resale controls and anti-speculation clauses seem to be reasonable on the surface, these controls are in fact placed upon the purchaser of the unit and not on the developer. This kind of control may repel some potential buyers who might feel that they are not enjoying the same rights and privileges of home ownership afforded other home buyers. Demand is a key requirement in the production of housing and simply producing affordable units which are not saleable does not accomplish anything. If a project receives direct city subsidies, fee waivers or other financial contributions to lower the price of the affordable unit, then I would agree that a recovery clause or resale control would be appropriate.

Housing speculation has largely been eliminated due to changes in the structure of financing new units. If affordable units did in fact tend to be lost from the market place due to a lack of resale controls, the City would always have the option of implementing some kind of control at a later date.

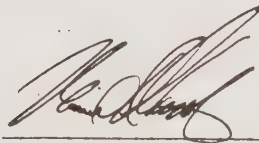


Please consider the following recommendations:

1. Resale controls and anti-speculation clauses, etc. should be limited to projects which involve a financial contribution from a public agency.
2. Projects providing affordable units through increased density or a change in product type, etc. and not involving a public subsidy or financial contribution by a public agency should be sold with as few a restrictions as possible after the initial sale so as not to chill demand for the units thus increasing risk to the developer and possibly limiting use of the program.
3. Retain the option of adding controls at a later time if the need is shown to exist.

Dated: March 25, 1982

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Michael D. Knopf', is written over a horizontal line.

Michael D. Knopf

CITY SUBDIVISION IMPROVEMENT POLICIES

The subcommittee discussed the current City policy of requiring 100% completion of improvements prior to the issuance of building permits for new development.

This policy has been undertaken for a number of reasons or areas of concern expressed by various City officials. These concerns include:

1. In the past, some homes have been occupied by owners prior to completion of streets, leading to many serious complaints.
2. Building inspectors may have difficulty gaining easy access to units with city vehicles to make inspections.
3. Fire and police services may find access difficult or impossible with service vehicles, especially during wet weather, to patrol or to respond to emergency calls such as theft or fire in units under construction.
4. The city has received complaints from various contractors regarding conflicts between subdivision improvement contractors' work and building improvement contractors' work due to simultaneous construction activities.
5. Problems with dust control in the proximity of existing neighborhoods.

In analyzing the degree to which this policy affects housing cost, the subcommittee considered several factors outlined below:

CARRYING COSTS: A typical development loan of \$500,000 at an interest rate of 15%, simple interest was used for this analysis. This would be fairly typical of a 35 to 40 lot subdivision.

An additional carry period of 120 days was also assumed to be fairly typical of time delays experienced in construction start dates resulting from this policy.

Resulting carrying costs during this period are approximately \$25,000 or \$600 to \$700 per unit. This cost could be much higher of course, if interest rates are higher. (Rates of development loans which were tied to the prime rate were as high as 23 1/2% during 1980).

INFLATION IN HOUSING COSTS: Assuming an average construction cost increase of 1 1/2% per month for the home, and assuming an initial construction cost of \$50,000 excluding lot, the resulting cost increase of the home occurring during the 120 day delay period is \$3,068.

If this cost increase is adjusted for inflation as determined by the C.P.I. at a 12% annual rate, the actual cost increase is then \$1,068.00.

It may not be prudent to adjust this increase for inflation in light of the fact that very few people's incomes are rising as fast as the C.P.I., especially in a four month period.

CHANGING MARKET CONDITIONS: This consideration is difficult to analyze due to substantial variations, however with the dramatic increase in both the frequency and amplitude of cyclical market changes and counter-cyclical monetary policy, it is perhaps the most important consideration of all.

This past year and a half, mortgage interest rates traversed from a low of approximately 11 1/2% to a high of 17 to 18%, and back to 11 3/4% and back again to 17 to 18%. This change from one extreme to another in fact occurred in as short a time period as is required to construct a residential unit on a finished lot.

Changes in the rates of "floating " development loans were even more radical, actually doubling in some cases, dramatically affecting costs.

CONSTRUCTION TECHNIQUES: In many types of medium and higher density projects and in Planned Residential Developments, construction methods do not allow for construction of street improvements in advance of unit construction. Imposition of current city policies result in the need to add certain improvements such as paving headers, curbs, etc. which would not otherwise be required in the design of the projects. Such additional (and otherwise unnecessary) improvements obviously add to the cost of the finished product.

The subcommittee was extremely surprised and concerned by the magnitude of the apparent impact resulting from this single policy.

While recognizing the problems that the current policy was designed to address, the subcommittee strongly feels that the benefits of this policy do not warrant the resulting dramatic costs.

If there is a single responsible party in a position to coordinate construction activities, such as in the case of a developer-builder within a project, conflicts between construction crews can be minimized or eliminated. Where conflicts do exist, the subcommittee questions the need for the city to coordinate and administer construction planning within private development projects in cases where negative effects do not directly impact the public.



It appears that if construction crews, concrete trucks, etc. are able to gain access to building sites and maintain construction activity, that city officials would also be able to secure adequate access to make inspections.

In addition, the City of Visalia has allowed various utility companies to operate within the city limits without competition. The City should inform these utility companies that they shall fully cooperate with developers of housing in a reasonable and efficient manner, and in that way these utilities (without competition) are cooperating in reducing housing construction costs. A consensus paper on this subject will follow.

RECOMMENDATION: The subcommittee finds that the concerns of the City can be adequately met at minimal cost by implementing the following recommendations:

1. The City should immediately change its current policy to allow the issuance of building permits to builders and contractors who are direct participants as developers or subdividers of a given project, after recordation of the final map.

In most projects producing affordable housing, production techniques require building and subdividing by the same entity. As the building process becomes more sophisticated and less traditional, the need for advance construction of demonstrative model complexes also increases. The needs of most affordable housing projects can thus be met by following this recommendation.

To provide necessary protection of consumers with regard to proper access, police and fire protection, etc., the following safeguards would apply:

# 4

## CITY DEVELOPMENT POLICIES

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p. 5

- A. No final inspection or occupancy permit shall be issued for a dwelling unit until a final inspection has been made for the subdivision.
  - B. This policy is intended to eliminate delays in the issuance of permits due to minor deficiencies in tract improvements which do not directly affect the health and safety of the occupants of the dwellings.
  - C. Title companies and lenders shall be notified of this procedure.
2. The City should immediately change its current policy to allow the issuance of building permits to builders and contractors who are not direct participants as developers or subdividers of a given project, after all streets are paved. The completion of utilities installation shall not be a factor in the issuance of permits.

To provide necessary protection of consumers with regard to proper access, police and fire protection, etc., the following safeguards would apply:

- A. A disclaimer must be signed by the builder at the time the permit is issued explaining the City's level of involvement, the risks to the builder, and the responsibilities of the builder and developer.
  - B. No final inspection or occupancy permit shall be issued for a dwelling unit until a final inspection has been made for the subdivision.
  - C. Title companies and lenders shall be notified of this procedure.
3. The City should maintain its current policy regarding the issuance of building permits to lot owners other than builders. Permits shall be issued in such cases after Final Inspection of tract improvements has been called for, and should not be withheld on account of minor deficiencies or until Notices of Completion is filed, etc. Subdividers improvement securities will adequately protect City's interest in such cases.





Visalia Housing Task Force  
Government Regulations Subcommittee  
Consensus Paper # GR

#### ANNEXATION POLICIES

Presently, the annexation of land is an unduly time-consuming (and in that sense expensive) process. A simple annexation (100% consent) requires an average of 6 months to one year to secure approval of the City and LAFCO. The Visalia Housing Task Force recognizes that the annexation process is regulated by State law, and that major changes can only be made through State legislation. However, the task force has several suggestions as to how procedures can be streamlined at the local level. Reducing the amount of time consumed by the annexation process will help to keep the cost of new residential development down.

The Visalia Housing Task Force recommends that the City Council take the following actions:

1. The subcommittee feels that there is no longer any overwhelming reason to maintain the ten-year annexation and development boundary, and recommends that it be eliminated from the annexation process. The subcommittee believes that the net effect will be to help stabilize future land prices. This recommendation is not intended to change existing general plan designations on parcels outside the ten-year annexation boundary but within the twenty-year urban improvement boundary.

2. The Task Force feels that one reason for such lengthy processing times appears to be related to the relatively low priority given to the processing of annexations. The Task Force, therefore, recommends that processing of annexations be given a high priority within the Planning Department's work program.
3. That environmental findings not be required for annexations of property to be used for residential purposes in master-planned areas, when minor deviations from the master plan are proposed.
4. That the city not delay processing of a proposed annexation by more than two weeks for the purpose of soliciting annexation of surrounding properties.
5. That the city give the property owner the option, at the owner's expense, to speed up the annexation process by having the legal description and map prepared privately (subject to City approval).
6. That the City work with the County and LAFCo to develop a master annexation plan. Such a plan, if adopted by LAFCo, would streamline the annexation process by eliminating the need for extensive research on individual applications, for environmental review outside of master-planned areas, and would essentially render approval of annexation applications consistent with the plan and administrative matter.
7. That the City coordinate with the County to streamline annexation processing at the County level.

The Housing Task Force further recommends that the Tulare County Board of Supervisors and LAFCo take the following actions\*:

1. Staff reports are now prepared by city planning departments for presentation to the City Council. The County planning staff prepares a second staff report, essentially a verification consisting of similar information prepared by the city. The LAFCo clerk prepares a third staff report which in fact is a summary of the information contained in the County Planning Department's report. The cities, county and LAFCo should agree on the necessary elements of a single staff report which could be prepared by the cities initially, and could be utilized by the county and LAFCo staff. Unless new or contrary information is appropriate, which has been infrequent in the past, there is no justification for three separate staff reports on the same subject.
2. Supporting engineering data for annexation applications presents opportunities for improvement. The county engineering staff checks the accuracy of information prepared by cities and agencies as part of the LAFCo/County process. There are frequent errors and inaccuracies in the legal descriptions which require revision. The county engineering staff should conduct a training session for the cities and other agencies on the preparation of acceptable legal descriptions. Resolution of these differences would result in less duplication of effort and reduce annexation processing time.
3. Use of areawide plans, such as within the Urban Improvement Boundaries, and accompanying Master EIRs could substantially reduce processing times.

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\* Recommendations 1 through 3 are as recommended in the study entitled Analysis of Planning Services in Tulare County, prepared by Hughes, Heiss & Associates, Inc., July 31, 1980, for the Tulare County Association of Governments.



4. Processing of annexations should be given priority under the work programs of the County Planning Department and the County Clerk's office.

URBAN BOUNDARIES ELEMENT

The present Urban Boundaries Element has created a limitation on the supply of developable land which in turn may have contributed to a rapid increase in land prices. (in some areas an increase of as much as 500 percent in four years) The Housing Task Force members believe that this problem can be addressed without abandonment of the Urban Boundaries concept by the following actions:

- (1) City staff, with assistance from the private sector, shall conduct a biannual survey of the amount of land within the Ten-year Annexation and Development Boundary that is available for residential development, as well as the prevailing prices of such land.
- (2) The Urban Boundaries Element shall be reevaluated biannually and readjusted if necessary in order to provide for a sufficient amount of developable land to generate a healthy and competitive market.
- (3) THE HOUSING TASK FORCE BELIEVES THAT THIS ACTION COULD BE BEST ACCOMPLISHED THROUGH THE APPOINTMENT OF A CITIZENS PANEL.

## INFILLING POLICIES

It is the consensus of the members of the Housing Task Force that it is in the best interests of the community for the City of Visalia to promote development, or "infilling", of residential parcels to which public services are already available, and which have been bypassed for development. The adoption of policies which promote infilling will further the following goals:

1. Preservation of prime agricultural land
2. Production of more affordable housing units through the use of properties with potentially lower development costs
3. Energy conservation due to development located closer to essential services
4. Maximization of the efficiency with which public services are delivered (such as police, fire, schools and transit)
5. Better usage of existing resources such as infrastructure
6. Increased property tax revenues due to development of undeveloped or blighted properties

At present, several forces combine to make "infilling" a difficult and/or expensive proposition. Land within established areas often commands a higher price per unit due to the smaller parcel size, existing public improvements, the location, and the potential for rezoning to a higher, more intensive land use. In addition, fees which must be paid to the City for existing improvements, as well as other development fees (often for services not required or pre-existing) result in the value or costs of these improvements being paid for twice (both through the fees themselves and higher land purchase prices), thus increasing development costs.

A third factor in the dilemma is the impact of neighborhood pressures and political influences on the land use decision-making process. This can cause the following difficulties:

1. Lower than optimum land use intensities and under-utilization or waste of valuable resources, both of which are counter-productive
2. Intensified risk factor, real or perceived. The higher risk results in the need for compensating higher profits to justify risk taking. Result: higher-priced final product.
3. Denial of a project results in loss of potential housing units; financial loss to applicant, adding to overall operating costs; and chilling effect on future similar projects
4. Loss of confidence by both applicants and neighborhoods in the public planning process

A fourth factor is that most parcels suitable for infilling are currently zoned R-1-6 which in most cases is an unrealistically low density and does not permit development of the most appropriate type of housing product for infilling sites.

A final factor of the existing process is the fact that it results in the creation of near-monopolies of approved higher-density projects. This exclusivity results in a temptation to profiteer, to sell property prior to development, thus destroying the potential benefit of reduced land and development costs. In addition, a difficult or complex development process serves to create a new job--that of "approval specialists"-- which adds to costs and increases the exclusivity.

In order to promote infilling of residential properties, and to address the difficulties outlined above, the Housing Task Force recommends that the City Council take the following actions:



1. Staff should establish criteria, which would be used to identify infilling policies.

Definition of Infilling:

The development of new housing or other buildings on scattered vacant sites in a built up area.

2. Undertake City-initiated zone changes, as opposed to individual, applicant-initiated applications, for properties suitable for residential infilling. It is proposed that many zone changes be considered at a single public hearing, perhaps on a neighborhood basis, with notices mailed to surrounding property owners explaining the proposed action (Refer to consensus paper on Zoning Ordinance).
3. Encourage public participation in the development of guidelines and policies prior to holding hearings on individual specific projects. Review and evaluate specific projects for conformity with such guidelines and policies.
4. Require the Planning Commission and City Council, in the event of a denial or reduction in density of a proposed residential project, to make findings consistent with the housing needs outlined in the Housing Element (Refer to Consensus paper on Planning Commission/City Council review of projects).
5. Adopt policy statements in the Housing Element and other appropriate general plan elements which provide strong positive support for difficult Planning Commission and City Council decisions which promote infilling.
6. The City should examine the possibility of eliminating or reducing development and other impact fees in areas deemed appropriate for infilling, as an incentive to development. The City should also consider the reduction or elimination of fees for services or impacts not resulting in any direct costs to the City (such as existing developer-installed sewer lines, utilities installed with State or Federal funds, existing streets, oversizing fees when no oversizing is required, etc.)
7. Initiate a voluntary redevelopment program, administered by the City Redevelopment Agency, which could (with property owner's permission) assemble parcels for residential development which would otherwise be difficult to assemble. This could prove especially useful in a situation where unusually deep lots exist and excess land could be better utilized.

PLANNING COMMISSION AND CITY COUNCIL

REVIEW OF PROJECTS

The City of Visalia has three primary project review processes:

- 1) Site Plan Review
- 2) Planning Commission
- 3) City Council

It is the opinion of the Housing Task Force that the site plan review process is very effective. It serves as a valuable tool that defines and applies the city's numerous codes and ordinances. Site plan review is carried out during the early stages of planning and development. This communication process between the city staff and applicant enables the applicant to continue the planning process within the proper parameters.

The Housing Task Force feels that the Planning Commission review process for projects in some cases unnecessarily duplicates the site plan review process, sometimes causing delays for both the City and the applicant. Further, it is our feeling that the Planning Commission should not be burdened with the decision-making process on minor items that are addressed by the site plan review process, city ordinances and policies. This is an inefficient use of the time and talents of the Planning Commission.

In the interest of more efficient processing of applications and the promotion of more affordable housing, the Housing Task Force recommends that the City Council take the following actions:

1. Authorize the Community Development Director to hold hearings and render decisions on variances and lot line adjustments.
2. Recommend that the City Council and the Planning Commission keep ph open and accept additional comments after Planning Commission discussion, or opportunity to provide developer and interested parties to respond to comments before vote . Same procedures City Council ph's land use matters.
3. Eliminate the use permit requirement for Planned Residential Developments (however, public hearings on subdivision maps would still be required).
4. Adopt a policy that all residential projects be considered at the first Planning Commission meeting following the statutory notification period. The Task Force recognizes that this generally occurs now; however, during periods of high development activity, delays can occur which add to housing costs.
5. Require that the Planning Commission, in order to deny a zone change to a higher density residential zone, must make a finding that the proposed units are not needed, according to the housing need estimates contained in the adopted Housing Element, by other factors that are specifically identified or that such need is clearly outweighed.

6. That the Planning Commission consider the effect of that action upon the housing needs of the region prior to taking action upon a proposed subdivision map, as required by Section 66412.2 of the California Government Code (Subdivision Map Act).

## CITY FEES

### VISALIA HOUSING TASK FORCE Government Regulation Sub-Committee Consensus Paper #

The Task Force has concluded that City imposed fees may have an adverse impact on the price of housing, particularly for low and moderate income housing projects. It is our intent to point out the cumulative effect of a number of regulations and fees that have added to the cost of all housing. This effect has been substantiated by professional studies throughout the State of California.

In an effort to target and encourage low and moderate income housing, and to generally relieve pressure on all housing costs, we recommend the City of Visalia adopt the following fee policy and philosophy:

1. TO TARGET AND ENCOURAGE LOW AND MODERATE INCOME HOUSING:
  - A. The waiving of all impact and processing fees for low income projects publicly financed or privately financed. Low incomes shall be those incomes 80% or less of the median income for the City of Visalia.
  - B. Consideration of additional waivers of impact and processing fees to encourage moderate income projects to be determined on a case by case basis. Low and moderate income shall be those incomes of 120% or less of the median income for the City of Visalia. Cost to the City of waiving such fees should not be reflected by increasing fee schedules for other projects.
2. TO RELIEVE PRESSURE OF ALL OTHER HOUSING COSTS:

The ability to charge impact fees in connection with processing, development, and construction of real estate projects within the City of Visalia has offered the City Council a tool to collect for improvement costs which benefit the community at large, more than the specific project to which it is assessed. Indirect impact fees such as sewer plant capital improvements, parks and landscaping medians of major thoroughfares that are charged to developers at the time of development and construction, do in fact increase the cost of new housing in the community. There are many arguments pro and con as to how these fees should be assessed. If in fact the City Council wishes to minimize the increase in housing costs, they may, at their discretion, transfer these costs to the general fund. This sub-committee, because of its concern over the present housing crisis, would encourage the City Council to seek funding for these improvements costs on the following basis:

- A. The only charges to be assessed to a proposed development and/or construction project shall be limited to those improvements directly benefiting that specific project, rather than those improvements which are primarily of a regional or neighborhood nature are only incidentally benefiting the specific project.



Subject, however, to a reimbursement provision to the City or another private developer, of existing improvements installed by them which would have been a direct cost to the property being improved. The reimbursement shall also be based on actual costs of installation and not prevailing costs.

- B. All indirect impact fees such as parks, sewer plant expansion, storm drainage pumping plants, major trunk lines, arterial streets, and landscaped street medians are a community responsibility and should be paid from the general fund and/or other community wide sources.
- C. Applications for Conditional Use Permits, PRD/PUD's, and Zone Changes need review to prevent duplication of processing and application fees. (For example, a PRD with a change of zone is subject to two (2) \$500 application fees)
  - 1. Fees intended to offset processing costs of other development projects should be estimated or actual cost of administrative staff time directly connected with processing.
  - 2. Is a matter of principle fees for application process should be based on actual cost to the city and not used as a source of revenue. The task force was unable to determine, suggest review.

CITY FEES FOR R-1-6 DEVELOPMENT

Fees charged by the City of Visalia for the processing of a typical residential subdivision containing 40 lots (10 acres) not presently within the city limits, and costs of a single family house with a value of \$50,000.

Annexation Application		
500.00	=	12.50
Environmental		
EIR 500.00	=	12.50
Negative Declaration 75.00		
Subdivision Map Filing Fee		
225.00 plus 10.00 per lot (400.00)		
625.00 for 40 lots	=	15.62
Subdivision Inspection Fee		
3% of Imp. Costs of 8,000 est.	=	24.00
Storm Drain Fee		
350.00 per acre @ 4 lots per ac.	=	87.50
Sewer Fee		
350.00 per acre @ 4 lots per ac.	=	87.50
Quimby Act		
Parks & Recreation	=	200.00
Builders Permit Fee		
50,000 Value		
Fee	=	286.50
Plan Check	=	<u>183.95</u>
		\$ 910.07 per lot

Possible Additional Permits

Conditional Use	500.00
P.R.D./P.U.D	500.00
Zone Change	500.00

NORTHEAST DEVELOPMENT FEES FOR R-1-6 DEVELOPMENT

Fees charged by the City of Visalia for the processing of a typical residential subdivision containing 40 lots (10 acres) not presently within the city limits, and costs of a single family house with a value of \$50,000.

Annexation Application	=	12.50
500.00		
Subdivision Map Filing Fee	=	15.62
225.00 plus 10.00 per lot (400.00)		
625.00 for 40 lots		
Subdivision Inspection Fee	=	24.00
3% of Imp. Costs of 8,000 est.		
Northeast Development	=	1,522.68
Base Rate 1,107.40		
Builders Permit Fee		
50,000 Value	=	286.50
Fee		
Plan Check	=	<u>183.95</u>
		\$2,045.25

Possible Additional Permits

Conditional Use	500.00
P.R.D./P.U.D.	500.00
Zone Change	500.00

CITY FEES- FOR R-M-2 DEVELOPMENT

Fees charged by City of Visalia for the processing and development of a typical 15 units R-M-2 (1 acre) not presently within the city or presently zoned R-M-2 and the cost of a unit based on a value of \$30,000 per unit (\$450,000 15 units).

	<u>Per Unit</u>
Annexation Application 500.00	= 33.33
Environmental EIR 500.00 Negative Declaration 75.00	= 33.33
Zone Change 500.00	= 33.33
Parcel Map 100.00	= 6.66
Storm Drain 600.00	= 40.00
Sewer 700.00	= 46.66
Quimby Act Parks & Recreation	= 100.00
Building Permit 450,000 = 539.25 ÷ 15	= 35.95
Plan Check 450,000 = 539.25 @ 65% = 350.51 ÷ 15	= <u>23.36</u>
	\$ 352.62



NORTHEAST DEVELOPMENT FEES FOR R-M-2 DEVELOPMENT

Fees charged by the City of Visalia for the processing and development of a typical 15 units R-M-2 (1 acre) not presently within the city or presently zoned R-M-2 and the cost of a unit based on a value of \$30,000 per unit (\$450,000 - 15 units).

		<u>Per Unit</u>
Annexation Application		
500.00	=	33.33
Environmental		
EIR 500.00	=	
Negative Declaration 75.00		
Zone Change		
500.00	=	33.33
Parcel Map		
100.00	=	6.66
Northeast Development		
Base Rate	=	1,107.40
Building Permit		
450,000 = 539.25 ÷ 15	=	35.95
Plan Check		
450,000 = 539.25 @ 65% = 350.51 ÷ 15	=	<u>23.36</u>
		1,240.03

CITY FEES FOR R-M-3 DEVELOPMENT

Fees charged by the City of Visalia for the processing and development of a typical 30 units R-M-3 (1 acre) not presently within the city or presently zoned R-M-3 and the cost of a unit based on a value of \$20,000 per unit (\$600,000 - 30 units).

		<u>Per Unit</u>
Annexation Application		
500.00	=	16.66
Environmental		
EIR 500.00	=	16.66
Negative Declaration 75.00		
Zone Change		
500.00	=	16.66
Parcel Map		
100.00	=	3.33
Storm Drain		
600.00	=	20.00
Sewer		
1,400.00	=	46.66
Quimby Act		
Parks & Recreation	=	100.00
Building Permit		
600,000 = 1,728.00 ÷ 30	=	57.60
Plan Check		
600,000 = 1,728.00 @ 65% = 1,123.20 ÷ 30	=	<u>37.44</u>
		\$ 315.01

NOTE: R-M-3 density may not be utilized because of existing development standards.

NORTHEAST DEVELOPMENT FEES FOR R-M-3 DEVELOPMENT

Fees charged by the City of Visalia for the processing and development of a typical 30 units R-M-3 (1 acre) not presently within the city or presently zoned R-M-3 and the cost of a unit based on a value of \$20,000 per unit (\$600,000 - 30 units).

		<u>Per Unit</u>
Annexation Application		
500.00	=	16.66
Environmental		
EIR 500.00	=	16.66
Negative Declaration 75.00		
Zone Change		
500.00	=	16.66
Parcel Map		
100.00	=	3.33
Northeast Development		
Base Rate	=	1,107.40
Building Permit		
600,000 = 1,728.00 ÷ 30	=	57.60
Plan Check		
600,000 = 1,728.00 @ 65% = 1,123.20 ÷ 30	=	<u>37.44</u>
		\$1,255.75

NOTE: R-M-3 density may not be utilized because of existing development standards.

## HOUSING TYPES &amp; FINANCING

## CONSENSUS PAPER #1

## MULTIPLE FAMILY ZONING, DENSITY, COMMUNITY ATTITUDE &amp; EDUCATION

Presently, over 40% (22,140 population) of all households in Visalia are renters. It seems only logical, reasonable and nondiscriminatory to provide zoning for a equal percentage of multiple units. Also, with less than 20 to 30% of the households in Visalia financially capable of buying a single family house in today's market, the balance who are forced to rent should have land available for their form of housing.

Currently, 718 acres (11.2%) of the existing 6391 acres of residential land is zoned RM-2 and RM-3 for building multiple units. Looking at the density factors for RM-2 and RM-3 zoning, only 10,300 units can be built on this available land; which would be approximately 25% of new units. Statewide figures indicate, however, that approximately 50% of all families require rental housing. While it is difficult to predict exactly what percentage of the future population will require multi-family housing, it seems safe to assume that at least 50% of all new housing units should be multi-family. Possibly even more multi-family land should be provided to insure competitive land prices and to provide for land which is appropriately zoned for high density owner occupied development; ie. multi-family condominium.

One of the biggest problems that seems to be encountered by rental housing types is whenever different type of housing structures is proposed for an area or a neighborhood the surrounding existing residents reject anything new, different or that may be less than what they perceive to be proper in conforming to what is existing in that particular neighborhood. This creates a lot of pressure on the Planning Commission and City Council. We feel the overriding concern of the council should be the provision of a sufficient number of affordable housing units for all economic sectors of the community.

Some projects get approval because of no neighborhood opposition and some projects get turned down because of well-organized, possible unobjective neighborhoods with their own honest good intentions. But in either case, should we, in the best interest of the growth of our city, let specific neighborhood opposition determine our fate?

In order to moderate this problem, the Visalia Housing Task Force recommends that the City Council adopt a firm policy of encouraging multiple family development by following the below recommended actions:

1. Provide for a sufficient number of multi-family units to provide for at least 50% of new units. This can be done either by selecting appropriate R-1 land and upgrading it to RM-2 and RM-3 zoning, through conditional use permits, or through a density bonus program.



SUBCOMMITTEE ON HOUSING NEEDS  
HOUSING TYPES & FINANCING  
CONSENSUS PAPER #1

2. Encourage more RM-3 zoning in the downtown area. This would reduce traffic, provide more housing near shopping and preserve downtown, and also provide residential development above existing commercial property.
3. A work session with rental property owners, tenants and the City Council to help inform the council of the costs and problems involved in rental housing (Once per year).

SUPPLEMENTAL INFORMATION

CITY OF VISALIA

Household Income Groups and Housing Costs

Income Group	Maximum Available for Shelter		1980 Estimated Households <sup>1</sup>				
	25%	33%	Total	%	Owner	%	Renter %
\$ 0 - 4,999	\$ 104/mo.	\$ 137/mo.	2,556	13.9	669		1,887 24.3
5,000 - 6,999	145/mo.	192/mo.	1,029	5.6	329	3.0	700 9.0
7,000 - 9,999	208/mo.	274/mo.	2,615	14.2	1,321	12.5	1,294 16.8
10,000 - 14,999	312/mo.	412/mo.	6,524	35.5	4,294	40.5	2,230 28.8
15,000 - 24,999	520/mo.	687/mo.	4,484	24.5	3,159	29.8	1,325 17.0
25,000 - 49,999	1,041/mo.	1,250/mo.	1,029	5.6	749	7.0	280 3.6
50,000+			133	.7	91	.9	42 .5
			18,370 <sup>2</sup>	100.	10,612	100.	7,758 100.
			(100%)		(58%)		(42%)

<sup>1</sup> Estimate provided by Tulare County Association of Governments (TCAG).

<sup>2</sup> Note this is a projection made by TCAG in 1978; actual number of current households for 1980 was estimated at 19,335.

HOUSING TYPES

Single Family	11,589	(68.1%)
Multiple Family	4,056	(23.8%)
Mobilehomes	1,365	( 8.0%)

CITY OF VISALIA

Acreage in Residential Zones<sup>1,2</sup>

1980

<u>Residential Zone</u>	<u>Total Area in Acres</u>
R-1-6	5,101
R-1-4.5	61
R-1-12.5	161
R-1-20	30
R-A	319
RM-2	501
RM-3	<u>218</u>
TOTAL	6,391

<sup>1</sup>The table shows the approximate total acreage within the different residential zones. This is not broken down into developed/undeveloped land.

<sup>2</sup>The Northeast Master Plan contains maximum numbers of dwelling units for that approximately 1,600 acre area, only part of which is within current city limits. A maximum of 8,800 dwelling units will be permitted, and it is expected that it will take eight to ten years for full buildout to occur. Of the total of 8,800 units, approximately 2,400 (27%) will be multiple family and 6,400 (73%) will be single family.

### OBSERVATIONS

1. Based upon the estimated median household income for Visalia of \$12,288 for 1980, the average household can afford to pay approximately \$256 to \$338 per month for housing (one-fourth to one-third of total income).
2. Households earning below \$7,000 per year (\$3.35 per hour and below) comprise approximately 19% of the households within the city.
3. The minimum single family home has a current sales price of \$41,800 at 13% interest (if available). The minimum amount needed to qualify for a new or used single family home would thus be \$416 per month, not including utilities, taxes, insurance, etc. Based upon household incomes, this allows only 31% of current households to qualify. The availability of single family homes or mobilehomes in this price range is very minimal.
4. Almost 70 percent (69.26%) of the households cannot qualify to purchase even these minimum homes. These people will be sheltered by rental housing, although many of them (approximately 19%) cannot afford to pay market-rate rents. Please refer to the preceding table for further information.
5. The number of multiple family units being built in Visalia dropped from 737 in 1972, to 514 in 1977, to 443 in 1979, to 132 in 1980. Yet, with almost three-quarters of all households needing to be housed in rental units, there is a greater need for rental housing than in the past.
6. It is difficult to predict what the future market will be for rental vs. ownership housing. There may a rise in personal incomes, which would mean that the number of households able to purchase housing would increase. What is more likely is that the level of personal incomes will decrease in proportion to housing costs, which would mean that a greater number of people will need rental housing and housing subsidies.





MOBILE HOME PARKS

There appears to be a critical shortage of mobile home park spaces available within the Visalia area. According to one study,\* there are at present a total of 1543 spaces of which only 7 are now vacant for an overall vacancy rate of .45%. Another problem is that at least 12 of the 14 mobile home parks in the Visalia area are restricted to adults only. There are at this time no vacant spaces available for families with children.

It is of vital importance that the City of Visalia act to alleviate this situation. Modern mobile homes now appear to offer an attractive housing type that is well suited to many families. In addition, it appears that mobile homes may become an increasingly important housing alternative for moderate and even low income families as the price of conventional housing continues to escalate. Therefore, the subcommittee recommends adoption of the following policies:

- (1) The City of Visalia should include in its policies for future growth and development sufficient mobile home park space to meet anticipated demand. The City should further act to encourage the development of mobile home subdivisions, which differ from mobile home parks in that mobile home dwellers own rather than rent the lots on which their mobile homes sit.

\*Prepared by Linda Kahn, VISTA volunteer with Tulare County Legal Services.

- (2) The City of Visalia shall encourage the development of mobile home parks in all areas designated on the General Plan for residential use.
- (3) State legislation which allows placement of mobile homes on foundations on single family lots is intended to prevent discrimination against mobilehomes, as opposed to site-built housing, and to provide a source of affordable housing. The City, in adopting an ordinance to implement this legislation, is encouraged to comply with the intent of this legislation, and not attempt to circumvent it.
- (4) The City should take an active role to encourage the development of additional mobile home facilities by taking the following actions:
  - (a) Advertise the commitment of the City of Visalia to encourage mobile home facility development. Such advertisement should include information on low vacancy rates and the City's commitment to developing more mobile home spaces, particularly those providing for families with children.
  - (b) The City of Visalia should adopt and advertise the following incentives for mobile home development:
    - (1) guaranteed fast-track (priority) processing.
    - (2) permitted use status in all residentially zoned areas for mobile home developments which will accommodate families with children in perpetuity in at least 25% of the spaces.
    - (3) Waiving of all impact fees for all mobile home developments which will accommodate families with children in perpetuity in at least 50% of the spaces.

- (5) The City should amend the Zoning Ordinance to include mobile home parks which provide at least 25% of spaces in perpetuity to families with children in the list of permitted uses in all residential zones.



## RESOLUTION OF THE VISALIA HOUSING TASK FORCE

WHEREAS, the Visalia Housing Task Force has been asked to make recommendation for City Council action on a case of a privately owned mobile home park restricting future sales of such living units located within the park to single persons or families without children within a specific age group, and

WHEREAS, it appears to the Housing Task Force that the dispute is based upon contractual relations between the owner and a group of tenants, with resultant effects upon the marketability of these tenants' mobile homes; and

WHEREAS, such a situation is deemed by the Housing Task Force to be suitable for civil action rather than a request to the City Council for relief, and that civil action on behalf of and by said tenants has not been initiated, much less decided upon, by the Courts; and

WHEREAS, it has been determined by the Housing Task Force that the granting of such relief as requested by said tenants through regulatory prohibitions to be imposed by the City Council could be counter-productive in our efforts to encourage development of additional mobilehome housing opportunities;

THEREFORE, BE IT RESOLVED that the Visalia Housing Task Force recommends to the City Council that the City take no direct action beyond the moratorium already arranged, with the moratorium to be viewed as providing the tenants with a time relief to settle the dispute privately, initiate a civil suit, or to enter into binding arbitration, with such binding arbitration being encouraged by the Housing Task Force; and

BE IT FURTHER RESOLVED by the Housing Task Force that this singular issue has raised valid ancillary issues of housing discrimination for families with children, the roles of mobile home housing for families with children and adults only, and the future availability of mobile home park spaces in general, and that these issues are found to be of grave concern to the Housing Task Force, and further that these issues will be addressed singularly and in the whole by the Housing Task Force, so that adequate choices will exist for all persons or families choosing this mode of habitation.

The above resolution was adopted at the March 18, 1981 meeting of the Housing Task Force on a motion by Gene Ross, seconded by Burl Gann, by a vote of 12 in favor, 6 opposed and 2 abstentions.

MINORITY REPORT OF THE VISALIA HOUSING TASK  
FORCE SUBCOMMITTEE ON HOUSING NEEDS

The following facts are presented regarding the needs and future status of mobile home parks for families with children in Visalia.

Royal Oaks Mobile Home Park is located across the street from Willow Glen School. Of the 378 children enrolled in kindergarten to sixth grade, 52 live in Royal Oaks.

The City of Visalia has a total of 1,543 mobile home spaces, only 106 of these are designated as family spaces. (Refer to attached survey Exhibit "A")

Royal Oaks is currently seeking a change in its use permit to phase out and exclude children. This works an undeniable and discriminatory hardship of families with children who now own mobile homes.

The change of use being sought by the Royal Oaks Park amounts to an effective restraint on alienation of those current owners within the park.

Mobile homes are often the only affordable housing choice for many families of moderate or low income.

THEREFORE: The following recommendations are made:

1. The City undertake an impact study before any use change is granted.
2. All parks within the City be prohibited from discriminating against families with children.
3. Royal Oaks remain as a family park, providing family spaces.
4. Undertake an education process to make the public aware of the problem involving families owning mobile homes.

Dated: March 18, 1981

Respectfully submitted,

*Rilla Mitchell*

Rilla Mitchell  
Member of the Visalia Housing  
Task Force

*Charles Rieeda, member*



SUBCOMMITTEE ON HOUSING NEEDS,

HOUSING TYPES AND FINANCING

CONSENSUS PAPER #3

CITY REGULATIONS

Traditionally, the city has strived for higher quality of life within the community. Unfortunately, nonessential standards required by the city also contribute to housing costs, which places single family houses beyond the economic reach of 77% of households in today's market.

A recent study\* suggests that regulations imposed by cities have added over 30% to the cost of housing in the past ten (10) years.

The Visalia Housing Task Force therefore recommends that the City Council review all housing-related policies, regulations and restrictions imposed over the past ten years, and unless cost-justified and, or essential for public health and safety, these regulations should be removed, or appropriately modified.

The Task Force Subcommittee on Government Regulations and Land Use Policies has reviewed many such regulations and policies and has forwarded their recommendations to the council. These recommendations should be followed whenever they become available.

New or proposed regulations and policies are often adopted in response to certain problems which arise from time to time, and in response to the efforts of city committees and changing circumstances within the community, etc.

In order to achieve the proper balance with respect to the goals of the City Housing Element and the housing needs of present and future residents, it is strongly recommended that two additional findings be required for the adoption of all new housing related or land use regulation or policy:

A. The possible economic effects of such regulations or policies.

\*\* B. The effect of ordinances and actions considered for adoption on the housing needs of the region.

It should be emphasized that the Housing Task Force has determined that there is no single regulation or policy which if eliminated would have an overwhelming cost reducing effect on housing prices, rather, only through the cumulative effect of many such regulatory and policy changes may the desired effect of significant cost reduction be achieved.



\* Katz Lawrence and Kenneth T. Rosen, The Effects of Land Use Controls on Housing Prices, Institute of Business and Economic Research, University of California Berkeley, Center for Real Estate and Urban Economics, Working Paper No. 80-13

\*\* Similar to Section 66412.2 Government Code added by SB 606, September, 1979

# 5

SPECIAL PROGRAMS





Resolution of 10/21/81, Referring to Planned Expansion of the City of Visalia Sewage Treatment Plant and the Installation of New Sewer Trunk Line (s)

WHEREAS, the expansion of the present City sewer treatment plant and the installation of new sewer trunk line(s) are necessary for orderly industrial, commercial and residential growth, and

WHEREAS, the Housing Task Force of the City of Visalia finds that orderly industrial, commercial and residential growth is essential to the fiscal soundness of the community and for the creation of employment and housing opportunities for residents of all income levels, and

WHEREAS, the Housing Task Force of the City of Visalia has previously adopted findings of adverse impacts upon housing prices caused by certain policies of assessing fees to new construction, (refer to consensus paper entitled "City Fees"), and

WHEREAS, the Housing Task Force of the City of Visalia finds that such expansion and installation of the referred to sewage facilities are of a common good to each and every resident and therefore a common responsibility of all, and that disproportionately passing the costs of such expansion on the new construction places an undue burden on both purchasers and renters of newly constructed units, especially low and moderately priced units,

WHEREAS, a substantial number of new home buyers and renters are a result of natural growth of existing residents of the City of Visalia,

THEREFORE, the Housing Task Force recommends to the City Council of the City of Visalia that the cost of said expansion and installation be paid for, on an equal basis by both present and future users of the existing and expanded facilities, by whatever mechanisms are deemed most appropriate to accomplish this purpose.





HOUSING TASK FORCE  
GOVERNMENT REGULATIONS SUBCOMMITTEE

BACKGROUND & RECOMMENDATIONS ON  
DEPARTMENT OF REAL ESTATE PROCESSING OF SUBDIVISIONS

The Department of Real Estate is a state agency which was established as a consumer protection and regulatory agency presiding over real estate matters. Their duties include licensing and monitoring of licensed real estate brokers and salespersons, loan brokerage and securities firms, and the review of subdivisions located both within and outside the State of California which are offered for sale to California residents. Many of the responsibilities of the D.R.E. are of no consequence to the supply and cost of housing within California.

The particular area of responsibility which is of concern to this subcommittee is the D.R.E. regulations and procedures involved in the review of subdivisions and the issuance of the public report.

The public report is primarily a disclosure document particularly in the case of standard subdivisions or subdivisions which do not involve a common interest. Its purpose is to disclose to the purchasers of a newly created lot or home site certain information which would be of concern or interest to the purchaser. This process is carried out by requiring that a builder or subdivider provide a copy of the public report to the prospective purchaser who then must sign a document certifying that he has been provided a copy of this report and has read and understood its contents.

As a part of the review of other types of non-standard subdivisions including common interest subdivisions such as planned residential developments, condominiums, stock cooperatives, etc., the D.R.E. review has evolved into an enforcement procedure as well as a disclosure procedure. This enforcement takes place in the review of homeowners association documents, C.C. & R.'s, by-laws and articles of incorporation and in review of homeowners association budgets, etc. for conformity with state D.R.E. guidelines. The single most important problem to be addressed by these recommendations is the time that is required to carry out this D.R.E. review and processing. These time delays have increasingly worsened until they have become a major stumbling block in the housing process.

The review and approval of subdivisions and subsequent issuance of a final public report often takes six to nine months for standard subdivisions. In the case of planned residential developments, D.R.E. approval takes at least nine months to a year and often even longer. In the case of a statute or airspace condominium subdivisions, the review can take as long as a year and one-half, especially in the case of conversions. This review period begins upon submittal of a substantially complete application after approval of a tentative subdivision map.

Obviously these time delays can cause serious problems for a developer who has completed his subdivision improvements and in many cases construction of the residence itself and still has not received D.R.E. approval. Carrying costs for such an improved subdivision can

contribute significantly to the finished price of the affected residential units.

There are a number of factors which must be considered in making any recommendations to modify D.R.E. procedures. One important factor to consider is the consumer protection element afforded by this review and disclosure process. Due to the advance of numerous state laws expanding powers of local governments and agencies to require certain permits and improvements and in establishing exhaustive review requirements in creation of new subdivisions, it would seem that many of the disclosure type protections offered by the D.R.E. public report process are no longer necessary. In addition, we have an increase in the complexities and depth of review of new subdivisions through other state legislation such as the California Environmental Quality Act. These types of advances in legislation enacted at the state level have rendered the D.R.E. disclosure process largely unnecessary within many jurisdictions. Obviously the type of subdivision review provided on out-of-state subdivisions and on subdivisions in particularly difficult or remote areas is still of value in protecting the consumer who might be considering the purchase of a lot in this type of development. It seems only logical that different jurisdictions with different attendant problems should be handled with a different level of processing.

Recent changes in the state law which became effective January 1, 1981 have resulted from the increased awareness of housing and housing related problems in the state legislature. The most significant of these changes includes the elimination of certain duplication of information which was previously required, the imposition of time limits



upon the D.R.E. in processing subdivisions and subdivision reports, and in exempting certain types of subdivisions in certain jurisdictions from the D.R.E. review altogether. With respect to the waiving of certain types of information, this is a relatively simple piece of legislation which has been effective in shortcutting the amount of paperwork involved. The imposition of time limits, while originally thought to be an effective mandate on the D.R.E., has become virtually meaningless due to the position of the D.R.E. that a failure on their part to meet these legislative time limits would not relieve the subdivider of the need to secure a subdivision public report. In other words, if the subdivider were to proceed without this report, the D.R.E. position would be to proceed as though the subdivider were in violation of state law. One way to rectify this situation would be to amend the state law so as to include a statement of legislative intent which would specifically exempt a subdivider from the requirement of securing a public report if all of the time limits imposed upon the D.R.E. are not met. In order for this exemption to be effective it would require the subdivider to have fulfilled fully his obligation in meeting the application and information requirements imposed as a first step in the processing. The final and perhaps most significant legislation involves the exemption of certain types of subdivisions from the public report process. The subdivisions which were exempted are subdivisions which are located within an incorporated city and which are sold in their entirety with improved lots, that is with a completed residential unit on each and every lot within the subdivision. Originally we were offered an opinion from Mr. Ray Dabler, Director of Subdivision Policy from the D.R.E. that said in essence if a subdivider sold vacant lots only to other builders

and contractors and not to the general public, then the subdivider would not be required to secure a public report. Mr. Dabler subsequently notified our committee that in fact if a single lot within a subdivision was sold to anyone, without a completed residential unit, then in fact the entire subdivision would be subject to the public report process. Other subdivisions which were exempted from the public report process included condominium subdivisions of four units or less. This exemption was apparently included based upon the assumption that such smaller projects were less likely to create the type of problems which the D.R.E. feels would be disclosed through the public report process. The effect of this exemption has been to remove a number of applications from the review of the D.R.E., and thus reduce their workload and enable more expedient processing of other applications.

Another complaint often encountered in dealing with the D.R.E. involves a lack of consistency in policies and guidelines imposed by the department in their review of common interest subdivisions, P.R.D.'s and condominiums. Due to the length of time involved between department which is responsible for budgets. In such cases the D.R.E. rejects these applications which have already been submitted or requires the subdivider to amend the budget and, or homeowners association documents to conform with the newly imposed changes. There does exist a procedure which enables legal firms doing regular business with the D.R.E. to seek approval of standard documents to reduce processing time from one application to the next. Obviously with frequent policy changes affecting homeowners association documents, the master document procedure currently in effect is of little value. The net effect of

these policy changes is to increase the processing time and, or delay the issuance of the public report.

Finally, it is frequently extremely difficult to make contact with and communicate effectively with individuals within the D.R.E. who are responsible for review and approval of the public report application. Occasionally, the subdivision file is even divided into separate parts, some of which are reviewed in Sacramento, others being reviewed in the Los Angeles office. Restrictions on state fiscal resources have led to staff shortages within the D.R.E. at a time when market conditions have resulted in an increasing percentage of time-consuming, common interest and planned development type projects.

The subcommittee feels that many of these problems could be remedied if there were more local control over the subdivision review and public report process. It would seem consistent with city-wide interest to assume more control over these review processes, especially if the result would be to expedite the housing process and thereby maintain costs at the lowest possible levels. No doubt many communities would be unable to provide this type of service, but fiscally sound cities, such as the City of Visalia, might elect to assume the responsibilities of the subdivision review.

The City of Visalia should consider supporting these types of legislative changes through direct contact with our state representatives as well as through political action committees and the League of California Cities and other such groups.

The following is a summary of the recommendations which are felt by this subcommittee to offer the most beneficial cost reducing effect with the minimum of changes in the current process at the state level:

1. Promote a legislative amendment to AB2320 which would clarify that a developer who had met the requirements of submitting applications in compliance with state law would not be in violation of state law if he proceeded to contract to sell subdivided lots or residential units without receiving a final public report due to a failure on the part of the D.R.E. to meet applicable time limits imposed by AB2320. If the D.R.E. did issue a public report after the legislative time limits, the subdivider would then be required to conform to applicable state law with respect to securing disclosure statements from prospective purchasers prior to contracting to sell lots.
2. Promote an amendment which would expand the exemptions provided under SB1776 to include all standard subdivisions within incorporated city limits with or without completed residential structures which are served with normal city utility services. The bill might include a provision for certifying the adequacy of the city services which are provided on a city-by-city or county-by-county basis.
3. Sponsor or promote legislation which would require the D.R.E. to adopt certain standard language to be included in association documents for various types of common interest subdivisions. This language would be recorded in all California counties in much the



same way as language which is currently recorded for second trust deeds and would be referenced as a part of each set of homeowners association documents. Sufficient latitude would remain in the balance of the association documents to provide for specifics of individual cases. The effect of this type of process would be to minimize the number of changes in subdivision document policies which are undertaken by the D.R.E. legal review section. Amendments could still be created in response to specific problems, but the temptation to make minor relatively insignificant policy changes would be somewhat reduced. These types of amendments which might be required would then be apparent through a search of the public record by attorneys who are preparing homeowners association documents prior to submittal to the D.R.E.

4. Promote enabling legislation which would permit cities subject to D.R.E. review and approval to assume the responsibility of subdivision processing and issuance of public reports. Review by individual cities would still be required to conform to state processing guidelines, however cities could carry out the review process in a manner which is more responsive to individual local needs. In addition, the level of convenience and efficiency which would result from enhanced accessibility and communication with the subdivision reviewer would no doubt help to minimize conflicts, repetition and misunderstandings in the preparation of subdivision documents. Cities which perform the subdivision review process would be entitled to collect the fee which is ordinarily imposed by the D.R.E. to defer costs associated with the review process.

Cities and counties which were unable to provide the necessary subdivision review would simply be required to follow the procedure at the state level which is currently in force. Cities which choose not to participate or are unable to participate would also benefit from faster processing through the D.R.E. as a result of reduced workload at the state level.



HOUSING TASK FORCE  
GOVERNMENTAL REGULATIONS SUBCOMMITTEE  
CONSENSUS PAPER, GR-2

SHARED EQUITY: AN ALTERNATIVE TO  
INCLUSIONARY ZONING

GENERAL: Mandatory inclusionary zoning has been adopted in approximately thirty California cities in some form or another. Inclusionary zoning as addressed in this paper refers to mandatory programs only. These plans have been adopted as a method of providing a certain percentage of newly constructed units at below market rate prices to low and/or moderate income households. This is accomplished through reduced prices in basically one of three ways:

- A. The builder either absorbs the difference in costs between ordinary market level and sales price of Below Market Rate units, or attempts to pass this cost on in the price to buyers of remaining new units not included in the program.
- B. The city pays the difference in cost between ordinary market levels and sales price of Below Market Rate units, in the form of decreased fees, additional staff time for quicker processing, participation in cost of infrastructure, buying down land costs, donating surplus public land, density bonuses, etc.
- C. Combinations of alternatives A and B above.

PROBLEMS WITH EXISTING INCLUSIONARY ZONING PLANS:

1. In most programs, the number of units actually constructed and sold or otherwise provided to Below Market Rate households has been



relatively low, and has not provided more than a token number of units for families targeted by the program.

2. Under alternative A above, what has been defined by State law as a community-wide problem is passed off on a relatively small percentage of citizens to solve (Developers or buyers of newly constructed units). This is also true although to a lesser extent in alternative C.
3. If the city pays the difference between sales price of Below Market Rate units and ordinary market values, as in alternative B above, it amounts to a direct subsidy and could be very costly, especially as the "housing gap" widens as it is expected to do in the future. A situation could develop where a theoretical 50% subsidy would still fail to provide housing to even moderate income households. In addition, such subsidies might have an inflationary impact on market prices of both new and used housing, thus compounding the problem of high prices.
4. Providing Below Market Rate units through increased density, reduced standards, faster processing and other methods not involving direct costs to the City may not be a feasible means of meeting needs of other than upper moderate income households.
5. Inclusionary zoning plans do not include used housing, which is a major source of housing for low and moderate income families.
6. In order to maintain Below Market Rate units at levels within reach of

targeted families, and in order to prevent a one-time windfall profit to original buyers at others' expense, it is necessary to include resale clauses in the program through ties to the Consumer Price Index or other economic indicators. This is very discriminatory to buyers of Below Market Rate units, for example: This year if the C.P.I. is 16%, owners of Below Market Rate units would be guaranteed a profit of 16% while every other homeowner in Visalia receives appreciation of 0% this year. On the other hand, if the C.P.I. is 12% next year, and real estate values go up by 20%, the owner of a Below Market Rate unit would not enjoy the same appreciation as other homeowners. This could cost the owner of a Below Market Rate unit the opportunity to move up within the housing market, as many homeowners eventually plan to do. This also could mean fewer Below Market Rate units would be turned back into the market place because Below Market Rate unit owners may not be able to afford to move.

7. Inclusionary zoning programs now in effect present several major problems in administration. Among the most serious are problems of monitoring costs to establish sales price of units, continued monitoring and administration of resale clauses and allowable appreciation, monitoring the transfer of units, preventing the proliferation of "straw man" buyers for investors looking for windfall profits, and many others.
8. Land use conflicts could become a problem in some cases if Below Market Rate units vary drastically from housing units within the same project but not included in the program. This has been solved in some cases by

allowing Below Market Rate units to be constructed elsewhere in the community, but obviously, suitable alternative sites may not always be available to the developer.

ALTERNATIVE PROGRAM: An alternative to the many problems related to mandatory inclusionary zoning programs would be a two-pronged approach involving a voluntary inclusionary zoning policy together with a city-sponsored shared equity program. The voluntary inclusionary zoning policy would provide substantial incentives such as density bonuses, to projects designed to meet the needs of low and moderate income families. The voluntary program would serve not only to direct development towards this type of housing, but more importantly to legitimize the efforts of developers and builders sincerely attempting to meet this special need. Commissioners and council members would have an important city policy on which to base approval of this type of project.

The second and more significant element of this alternative plan would be the shared equity program. This would involve actual city participation in the purchase of existing housing units as follows:

1. Applicants would first be qualified into the program based on combinations of income, assets, resident status, family size, housing needs, etc.
2. An evaluation would be made to determine the amount of the City contribution for each applicant based upon current prevailing mortgage interest rates, housing cost factors, etc. in addition to factors covered in item one above.

3. The applicant would select the housing unit of their choice which would be required to meet certain minimal standards of "decent, safe and sanitary".
4. City participation would be in the form of a contribution to purchase price. The city would then receive an undivided interest to a percentage of housing unit equivalent to the proportion which the city contribution bears to the total price of the housing unit.
5. The applicant would be required to provide a down payment (say 5% of the purchase price) plus closing costs, and secure balance of financing from conventional sources. Specifics of the program must be consistent with lending institution requirements.
6. City contribution would vary from applicant to applicant, depending on factors identified in item #1, but would not be connected to the type or price of unit selected. The applicants' qualifications would effectively limit the type and price of units that would be purchased.
7. At the time the unit is sold, the city would be paid back for its original contribution, and in addition would receive a share in the appreciation of the unit in proportion to the percentage of ownerships held by the city on that particular unit.
8. Applicants would have the opportunity to hire an appraiser and, through refinancing or other means, buy out the city's interest at their option at any time.
9. The program would be targeted toward home ownership for persons who can qualify satisfactorily for a portion of the financing with conventional lenders, and can come up with the down payment and closing costs, etc. The program is not limited to new housing, but will also include used housing of various types. It would probably not serve the very poor, whose needs most often are met by rental housing.



10. Funds would come from any and all available sources within the city, based upon the argument that the provision of housing is a legitimate community-wide responsibility. These sources might include general fund, grants, community enhancement and other special funds, the sale of surplus city owned property, special revenue bonds, loans or any other available vehicle.
11. It is possible that the program could be expanded to include acquisition of funds from investors who would like to invest in real estate but want to avoid the disadvantages of negative cash flows, maintenance costs, etc. involved with investment property ownership. This could prove to be a tremendous source of funds especially if returns from these investments enjoyed a tax exempt status. The city should not turn over the entire program to this type of private investor funding, or it would defeat several key advantages of the program which will be outlined later. A recommended maximum percentage of private investor participation might be 50%. One incentive for private investors may be the possibility of property depreciation for tax purposes.
12. The city might be able to borrow against the equity built up within the program to provide more funds for additional housing units without depending on a high turnover rate of units within the program to free up funds.
13. Since the City and family would be co-owners of the property, the family would have a lease with option to purchase the City's interest from the City. Initially the lease would be for one dollar per year. For families in the program, family incomes and eligibility would be reviewed every 5 years. Families whose income then exceeded the guidelines would have 3 options:

- 1) Start paying a fair monthly rental to the City on the lease;
- 2) Purchase the City's equity share; or
- 3) Sell the family's share also and move out.

14. Upon default by a purchaser, the City would have the option to cure any defaults prior to foreclosure, and take possession of the property.

What has been described is an outline of an idea that has potential for helping to meet Visalia's housing needs. There are many details yet to be worked out, and problems may surface. Other less fortunate cities may have trouble providing the "seed" money to start the program, but Visalia could probably accomplish the task.

ADVANTAGES OF SHARED EQUITY CONCEPT: There are a number of distinct advantages in this type of program which are outlined below.

1. The program as outlined is not a subsidy but rather an investment which may have the potential to be self-supportive.
2. The program is not limited to current levels of construction in providing affordable units as is inclusionary zoning; neither is the program limited to new units. By applying this program to lower priced, used housing, the number of households served would be vastly increased over much wider range of income levels and housing needs.
3. The program could be expanded to meet the needs of low income households by including investment in rental projects. The resulting lower financing requirements could eliminate negative cash flows and again open up rental housing to conventional lenders. This would have the effect of spurring construction of much needed new rental projects, and help in keeping city-wide rents at the lowest possible levels.

4. This program would offer the least possible interference in the city's housing markets. Affected units would be distributed throughout the city and selected solely on the buyer's preference as to the type, location and price.
5. Other than normal health and safety requirements, we recommend no costly and non-essential minimum property standards be imposed by the City.
6. Prices and values of units would be based on supply and demand factors, individual applicants' qualifications and lenders' individual appraisal requirements just as the marketplace now functions. There is greater incentive for buyers to shop for the best possible deal in order to maximize future profit potential and because of their own personal financial involvement. Buyers would have a strong incentive to maintain and improve units for the same reasons.
7. The program would be locally controlled and not subject to constant lunge and jerk political policy changes and funding cutoffs at the State and Federal levels.
8. The city through its direct participation in the purchase of units would not be in the position of a detached observer. As housing prices continued to rise, the city would be actively aware of current housing conditions, and would have the strongest motivation to take any and all steps necessary to maintain the lowest possible land and housing prices within the community. What would result would be the best conceivable balance of interests in decision making processes.
9. If private investors were included in financing program, it could result in more home ownership opportunities within the community, a very positive thing. A partnership between investors and homeowners would result, instead

of a competition between homeowners and investors. It should be recognized that increased opportunities for homeownership of existing housing units could have the effect of decreasing the supply of rental units of this same type. However, purchasers of these units would probably be leaving a vacant rental unit available elsewhere in the community.

10. As home ownership opportunities were made available to more persons within the community, home sales would increase. This could serve to spur more construction resulting in a significant stimulating effect on our local economy. The benefit of such an effect would be widespread over the entire community and not just limited to the construction industry or the persons assisted.

DISADVANTAGES OF SHARED EQUITY CONCEPT:

1. Problems due to funding priorities.
2. Possible public opposition.
3. Not a proven concept, untried.
4. City could experience losses if units are allowed to deteriorate or property values experience a period of deflation.
5. The program could have an inflationary impact as more purchasers become able to compete for available units.
6. Complications and costs of administering the program.



ADDITION TO CONSENSUS PAPER #GR-2  
Shared Equity, An Alternative to Inclusionary Zoning

Change page 4, #1 to read as follows:

1. Applicants would first be qualified into the program based on combinations of income, assets, resident status, family size, housing needs, etc. Qualifications would be set so as to target the program toward families otherwise unable to purchase housing.

## FINANCING TECHNIQUES

The Visalia Housing Task Force recognizes that this subject is at present the most volatile aspect of housing costs. The task force is concerned with the ailing conventional market, and assumes that the future will bring reliance upon short term mortgages, unlimited and variable interest rate mortgages and shared appreciation mortgages. Also most conventional mortgages will not be financed or leveraged by local deposits, but will instead depend on secondary markets for resale to investors. Secondary markets, unless stabilized by subsidies (such as are offered by the Government National Mortgage Association) are unpredictable and are affected by world events. The world market, rather than the corner bank president, determines interest rates. It is the collective opinion of this task force that there will not be "business as usual" when the markets settle down, if indeed they do settle down. The accepted method of housing financing is gone, and new methods are just being developed. Furthermore, increased reliance on State and Federal programs is not advised due to cutbacks currently anticipated in those programs.

In spite of the difficulties outlined above, the Housing Task Force does feel that there is a role which the City can play to ease the burden of housing financing for all economic segments of the community. The Housing Task Force therefore recommends that the City of Visalia take the following actions:

1. There is a great need for a central source of information regarding housing finance opportunities (both governmental and private sector programs). Too often, because local builders and developers do not have large staffs with the time and expertise to become familiar with these programs, opportunities are lost to take advantage of financing opportunities. The Housing Task Force

envisions that this would involve the equivalent of one person who would keep abreast of new programs and opportunities, make that information available to local builders and developers, and provide technical assistance in dealing with the paperwork involved. This person would also maintain a library of information on pertinent subjects and serve as a central data source.

The Housing Task Force proposes that this function could best be carried out through the Tulare County Association of Governments (TCAG). In this way, assistance could be provided on a countywide basis, and the costs could be shared by the County and member cities. The staff could either be provided in-house, by someone with expertise in housing finance, or TCAG could contract with a consultant for the service.

2. The City of Visalia should begin coordination for the provision of various types of assistance to Visalia Senior Housing in the development of another senior housing project (HUD 202/Section 8 Elderly and Handicapped Rental Loan program). Private sector financing for projects of this type should also be sought.
3. The City of Visalia has assisted the Tulare County Housing Authority in the construction of public housing through the sale of City-owned land and the loan of CDBG funds for the development of 110 units in 1981. The City will provide further assistance in the form of an Article 34 referendum scheduled for the November 1981 ballot. The City of Visalia should continue to provide this type of assistance to the Housing Authority to further the development of public housing within the city.
4. The City of Visalia should investigate the availability of HUD Section 235 (mortgage subsidy for low and moderate income families) funding for projects within the city. The City may be eligible for entitlement funding under this program when the County becomes an SMSA, and funds set aside for other counties

which cannot be used there (because maximum mortgage limits are too low) may be available for use in Visalia.

5. The City of Visalia should vigorously investigate, on a continuing basis, the potential for using tax-exempt revenue bonds to finance rental and/or ownership housing for low and moderate-income families (SB 99, AB 1355, CHFA Marks-Foran, etc.) and be prepared to take action when bond markets and other circumstances are favorable.
6. The Visalia Housing Task Force has already adopted a proposed Shared Equity Program for implementation by the City Council. Please refer to that consensus paper for further information regarding that proposal. Pension and profit-sharing funds are a major potential source of funds for privately-arranged shared appreciation mortgages.
7. The City of Visalia should continue to make deferred-payment rehabilitation loans available to low-income families, as CDBG funds are made available to the City.
8. The City of Visalia should plan for future low-income housing needs by beginning a land-banking program with the objective of making land available for low-income residential development (either by the Housing Authority or private developers). The City should also review its inventory of city-owned land to determine which parcels could be made available for this use (i.e. Soroptomist Park, portions of Whitendale Park). The intent would be that the City would neither make money nor lose money on such a program. One technique, used by the City of Palo Alto, is for the City to enter into a deferred-payment loan agreement for the purchase price. The developer/owner must make a balloon payment for the improved property at the end of 40 years, or the City has the option to buy the improved property at that time for \$1. Thus this technique is an investment for the City, not a gift of funds.



By purchasing property offered for sale on the open market, or by soliciting proposals for sale for this purpose, the City can avoid many requirements for appraisals and relocation. Properties so acquired could be made available at cost to developers who, on a contract basis, will provide at least a certain percentage (negotiable) of low and/or moderate income units. HUD pre-approval of sites could be sought so that sites could be used for HUD or FHA programs.

9. The City of Visalia should consider lending funds through local lending institutions from its investment portfolio for short-term construction loans to selected developers of low or moderate-income housing (ownership or rental). This technique (used by the City of Palo Alto) can significantly reduce construction costs by providing money at below-market interest rates to the developer, yet still provide the City with an adequate rate of return on its investment (such as 11% or 12%), and there is the added advantage that the loans are short-term (6 months or so) and do not tie of City funds for long periods of time.
10. The City, either through the Redevelopment Agency or a non-profit corporation, should consider instituting a Rental Housing Acquisition and or financing Program to help provide affordable rental units. Under a program such as this, existing moderately-priced rentals are brought and held over time. Rents can thus be kept down because the ownership does not continually change. This would be a break-even, self-supporting program. Existing tenants would not be evicted, but would be replaced over time by tenants in need of housing assistance.
11. The City of Visalia should consider establishing a non-profit corporation to administer many of the programs suggested by the Visalia Housing Task Force.
12. The City of Visalia, through the League of California Cities and the National Leage of Cities, should actively support legislation at the State and Federal levels which promotes low and moderate-income housing (Examples include tax-exempt savings accounts, tax exempt mortgage bond legislation, etc.).

13. The City of Visalia should encourage the use of pension funds for housing finance, and should contact the administration of PERS to promote this idea.
14. Private lending institutions should be encouraged to participate with the City of Visalia in financing City-sponsored programs, such as the proposed shared equity program.



LOW-INCOME AND OTHER SPECIAL HOUSING NEEDS

prepared for the  
Visalia Housing Task Force

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## LOW-INCOME AND OTHER SPECIAL HOUSING NEEDS

### INTRODUCTION

There is much discussion of the concept of "affordable housing" nowadays. Hardly a day goes by without a story appearing in the news bemoaning the fact that housing is no longer available in the form or quantity perceived to be adequate.

High inflation, and accompanying exorbitant mortgage rates have put a high percentage of American households in the hardship position of being unable to afford to house themselves as they would like - typically a single family dwelling. More and more middle income families are finding themselves forced to rent apartments and houses, with no real prospect of ever entering the ownership market unless mortgage interest rates go down or prices drop sufficiently.

In short, the middle class is finding itself in the same situation as those lower on the economic ladder have always been.

A recent article in the Los Angeles Times made this point clearly. "Housing has become a middle-class problem. No longer as a nation can we salve our conscience by throwing a paltry few Section 8 rental units and other forms of Federally subsidized homes to the elderly and the poor, hoping that the problem can be swept under the rug and disappear.

"In a nation that has prided itself with the fact that some 75 percent of its citizens own their own home, the short supply of housing has become a national problem. There is a dwindling number of persons able to purchase any type of shelter."\*

But it's important that we separate the current middle-class home ownership problem from the longer-term problem of providing decent housing opportunities for all people, including the low-income, the elderly, the handicapped, and other difficult-to-house groups. National concern over providing adequate housing can be traced to the statement of policy contained in the Declaration of National Housing Policy in the Housing Act of 1949, which created a national goal of providing safe, sanitary housing for every American family.\*\*

\* "No Quick Fixes on the Horizon for the Many Housing-Related Problems," Los Angeles Times, September 14, 1980.

\*\* "Affordable Housing A National Concern," Los Angeles Times, March 1, 1981.

It is an uncomfortable fact that despite more than 30 years of efforts, the problem of housing our aging, our poor, our disabled still continues to plague us. This paper will focus upon the needs of these groups - needs the housing industry would have difficulty meeting in even the best of economic times. Specifically, there are four groups where needs seem beyond the scope of private, unsubsidized development: the poor, the elderly, the physically handicapped, and those large families unable to afford single family housing.

### THE HOUSING TASK FORCE

In September of 1980, the Housing Task Force established the goal of developing specific policies which would, over a five year period:

1. Provide opportunities for decent housing for all persons, regardless of age, race, sex, marital status, ethnic background, source of income, or other arbitrary factors, with an emphasis on low and moderate income households.\*
2. Help assure the availability of an adequate housing supply and selection by location, type, price and tenure.\*\*

Since that time, the Task Force has spend many hours analyzing various housing issues, problems, and policies, with the intent of meeting these goals. Two areas have been the target of particular attention and energy: current policies and regulations, and financing.

\* "A low-income household is defined by HUD and HCD as one whose annual income is below 80 percent of median; a moderate income household is one whose income is between 80 percent and 120 percent of median. Using TCAG projections, a household of four in Visalia would be a low-income if the annual income were below \$10,192, and would be moderate income if their income were between \$10,192 and \$15,288."

\*\* Minutes of Housing Task Force Meeting, September 23, 1980.



Several proposals have been adopted which, it is hoped, will have a positive impact upon the housing supply by streamlining regulatory review, by increasing the supply of land available to higher density development, and by lowering some development standards to create lower per-unit development costs. The unfortunate reality is that these policies will have little positive impact upon the supply of low-income housing, a fact already recognized by the Task Force.\* This is not to question the need for or value of these proposals in solving the overall housing crisis. But it must be recognized that they do not address low-income housing needs directly. It is also important to analyze these proposals carefully prior to implementation to assure there are no negative effects on any portion of the housing supply.

Perhaps the most innovative policy proposed by the Task Force is the Shared Equity Mortgage program. Under this program, the City would provide a share of the purchase price of the home, receiving in return a share of the long-term appreciation. While enabling more families to qualify for home mortgages, this program, as proposed, would not meet the needs of the low-income.\*\* In fact, there is a potential for bias against low-income neighborhoods built into any shared appreciation mortgage plan.\*\*\* (See recommendations)

Other Task Force recommendations may have a greater, though by no means certain, potential for meeting low-income housing needs. In particular, the recommendations relative to housing rehabilitation and financing may be real possibilities for serving some of the needs of those not adequately served by the private sector.

Specifically, the proposals for stimulating the rehabilitation of owner-occupied dwellings may have some benefits to those low-income persons who own substandard homes, though financing assistance would be necessary to assure that the proposals would benefit low-income property owners.

\* "Providing Below Market Rate units through increased density, reduced standards, faster processing and other methods not involving direct costs to the City may not be a feasible means of meeting needs of other than upper moderate income households." Shared Equity: An Alternative to Inclusionary Zoning," Housing Task Force Consensus Paper GR-2.

\*\* "The program would be targeted toward home ownership for persons who can qualify satisfactorily for a portion of the financing with conventional lenders, and come up with the down payment and closing costs, etc. The program is not limited to new housing, but will also include used housing of various types. It would probably not serve the very poor, whose needs most often are met by rental housing." Shared Equity: An alternative to Inclusionary Zoning, Consensus Paper GR-2, Housing Task Force.

\*\*\* "Serious Questions About SAM Plan," an Editorial by Roy L. Diez, Editor, Professional Builder, February, 1981



On the other hand, the proposals for encouraging, or enforcing, rehabilitation of rentals, unless carefully implemented, could actually have the effect of removing rental dwellings from the low-income market. This can happen in two ways: First, if a dwelling is condemned, the Below Market Rate shelter it provides, however substandard, is lost to the community. Second, if a dwelling is rehabilitated under either voluntary or mandatory terms, the rent may have to be raised beyond the ability to pay of the current low-income tenant, in order to finance the repairs. Any program which is established to encourage or force rehabilitation must contain safeguards to protect against displacement and the phenomenon of "gentrification."\* (See recommendations)

The proposals for financing developed by the Financing Subcommittee contain some good possibilities to assist in meeting the needs of the low-income, but the degree of success will depend upon the extent to which appropriate programs are aggressively developed. (see recommendations)

Some proposals have been approved with the expectation of encouraging the development of multi-family rental units. More land zoned for high densities, an easing of restrictions, density bonuses, and efforts to increase public awareness of rental needs are among the proposals forwarded to the Council by the Task Force. Harsh realities may limit the effectiveness of these measures in meeting the needs of the low-income.

There seems to be a consensus among the builders and developers on the Task Force that the current economic situation effectively eliminates all incentives for the construction of multi-family rental housing. Even if new units were constructed, construction and financing costs would force rents beyond the reach of low-income households. Another problem is that multi-family structures are rarely constructed locally with the large family in mind.\*\* (See recommendations)

It has been suggested that the trend towards increased densities and an emphasis on low per-unit costs economically discourages the construction of apartments suitable for large families. Without adequate safeguards, a density bonus program could add further pressure against family-type apartments. (See recommendations)

#### AFFORDABILITY IN VISALIA

It is generally accepted that a household can reasonably be expected to spend 30 percent of its annual income on housing costs.\*\*\* This would include rent or mortgage payment, utilities, and maintenance (for owner-occupied dwellings).

\* This is the displacement of low-income persons from upwardly mobile neighborhoods.

\*\* "Report of the Subcommittee on Housing Types," Visalia Housing Task Force, December 16, 1980.

\*\*\* This is the new standard adopted by the current Administration for determining of eligibility for Federal housing assistance.

According to Tulare County Association of Government estimates, the median household income\* in Visalia will be \$12,740 in 1981. This means that the "median household" could afford \$319 per month in housing costs ( $12,740 \div 12 \times 30\%$ ). With allowances for utilities of about \$30 per month, the "median household would have \$289 available for rent or mortgage payments. Clearly, if half of Visalia's households can afford less than \$289 in monthly rent or mortgage payments, there exists a serious housing problem.

The table below provides population projections for Visalia within seven income ranges with an indication of housing costs which are affordable for each range.

<u>Annual Income Range</u>	<u><math>\div 12 =</math></u>	<u>Monthly Income Range</u>	<u><math>\times 30\% =</math></u>	<u>Monthly Housing \$ Range</u>	<u><math>- \\$30</math> Utility</u>	<u>\$ Range Available For Rent Or Ownership Costs</u>	<u>Number of Visalia Households In Each Group (1981 TCAG Estimate)</u>
0 - 4,999		\$ 0 - 417		\$ 0 - 125		\$ 0 - 95	2,142
5,000 - 6,999		417 - 583		125 - 175		95 - 145	900
7,000 - 9,999		583 - 833		175 - 250		145 - 220	2,650
10,000 - 14,999		833 - 1,250		250 - 375		220 - 345	7,396
15,000 - 24,999		1,250 - 2,083		375 - 625		345 - 595	5,106
25,000 - 49,000		2,083 - 4,167		625 - 1,250		595 - 1,220	1,170
50,000 or more		4,167 or more		1,250 or more		1,220 or more	156

\* Note that the median indicates the mid point in the entire range. This means that half the household incomes fall below the median and half are above. Thus the "median" household income may vary significantly from the "average" household income.

## THE CURRENT MARKET AND THE BELOW MARKET RATE HOUSING STOCK

Rental: Market rents in Visalia are currently estimated to range from \$175 to \$500 per month.\*

Ownership: Mortgage payment (PITI)\*\* for a minimum \$55,000 single family home with a 13 percent, 30 year mortgage would be \$628 per month.\*\*\*

The problem is clear: Based upon annual income, less than seven percent of our current population could afford to buy a new home. And 21 percent cannot even afford market rents.

This is not to suggest the existence of a large population of homeless in Visalia. While some are no doubt faced with less than satisfactory housing, a majority of these households are currently housed in apartments or homes which, due to their age and length of ownership, are available to the owner or renter at what is in effect a Below Market Rate (BMR).

However, there is inevitable turnover in property ownership: in California the turnover period is estimated at about five years. An older dwelling (whether owner occupied or rental) which currently provides BMR shelter will, due to natural market factors, be immediately lost to the BMR stock upon resale.

Thus the existing BMR housing stock will decline through operation of the market place. While a large percentage of Visalia's households may now be housed in this way, economics will gradually transfer much of this housing to those who have income sufficient to afford single family housing with contemporary financing.

It is true that as mortgage rates continue to climb, more and more existing mortgages become essentially BMR mortgages, and that as long as interest rates increase there will be a substantial BMR housing stock. However, low-end incomes rise more slowly than upper incomes. Thus, the BMR housing stock, while it may continue to exist, will be less available to meet low-income housing needs.

\* "Report of the Subcommittee on Housing Types," Visalia Housing Task Force, December 16, 1980, Page 4.

\*\* Principle, Interest, Taxes and Insurance.

\*\*\* "Report of the Subcommittee on Housing Types," Visalia Housing Task Force, December 16, 1980, Page 6.



## VISALIA AND AREA HOUSING NEEDS

The current and projected shortage of low-end affordable housing in Visalia will further the gentrification process of Visalia. While "affordable" housing is in short supply for upper and upper-middle income families who wish to move to Visalia, it is becoming virtually non-existent for those in the lower half of the income spectrum.

The fact is that Visalia does not provide housing opportunities for all who work here now and support the City. This is not a simple matter of supply. Housing is available for some economic groups: upper middle income, lower middle income (though perhaps only rental) and upper income. The inadequacy of housing opportunities is disproportionately borne by those at the lower end of the economic spectrum. It is these people who are economically excluded from living in Visalia. They must locate, less conveniently, in surrounding communities such as Farmersville, Goshen, Tulare, Patterson Tract, Ivanhoe and Cameron Creek. These communities provide significantly lower cost housing than Visalia, and therefore carry the burden of housing much of Visalia's lower-income work force.

It is the inequity of this which prompted the State to mandate the Fair Share Allocation. While an artificial and therefore somewhat rigid and bureaucratic approach to the problem, containing questionable methodology, the concept is sound on moral and economic bases.

That an individual has the right to live where he or she chooses is a moral principle held strongly by many. It is a principle often used as an argument against urban boundary restrictions, and against growth limits.\*

Discrimination in housing, on whatever basis, runs counter to basic American philosophies. The fact that the pressures which keep low-income persons from living in Visalia are economic makes the result no more palatable. Yet the fact is that unless positive steps are taken, Visalia will become, more and more, an economic preserve of the economically comfortable, surrounded by communities populated by those with fewer economic resources.

The unfairness of this is aggravated by the tax structure. It is a matter of public knowledge and pride that Visalia is heavily supported by sales tax revenues. On the other hand, the City acknowledges that residential property taxes do not support the City services required. A community with little or no commercial or retail tax base faces serious economic struggles. An aggressive city management will therefore pursue a retail and commercial base, often leading to substantial competition between communities. This is the case in Visalia.

\* This argument was used extensively in the successful campaign to defeat Measure B in Visalia.



There is an arguable inequity in the distribution of sales tax revenues entirely on the basis of point of sale, an inequity which perpetuates and aggravates the problem of unfair housing.

Several communities surrounding Visalia have little or no retail sales base, and therefore must support themselves largely through property taxes (an economic near-impossibility according to Visalia city staff). Yet many of the residents of these small communities earn their wages in Visalia, and do their buying in Visalia. Visalia enjoys the benefit of most of the sales tax generated by the income of these persons who are unfortunate enough to be unable to live in Visalia, while their own community struggles to provide essential services.

If this imbalance were a matter of choice (in selecting a place of residence) the question of responsibility would not be as strong. However, as long as people are excluded from living in Visalia on an economic basis, while being drawn to work and shop in Visalia by the same economic forces, there exists an unfairness.

Visalia must recognize a responsibility to the larger community outside its boundaries, either by developing housing opportunities which overcome the exclusionary effects of current economic forces, or by providing assistance to the surrounding communities who must support a disproportionate share of Visalia's lower income work force.

#### STATE MANDATES

Aside from the moral, philosophical and social concerns which in themselves are compelling principles which encourage us to assess Visalia's responsibilities, there are some legislative concerns.

California's State Department of Housing and Community Development (HCD) is legally charged with responsibility for monitoring local efforts to "make adequate provision for the housing needs of all economic segments of the community."\* The Housing Element is designed to outline the community intentions in meeting this responsibility. A further State requirement is the Fair Share Allocation Plan. The purpose of this plan is "to provide localities with a general measure of local responsibility for addressing a fair share of the market area housing need."\*\*

\* See Section 65302(c) of the California Government Code.

\*\* 1977 Housing Element Guidelines and AB 2853.

Unless the City exhibits "good faith" efforts in meeting these legal requirements, there are several liabilities that it may incur:

1. The City will be open to possible law suits by legal, civil rights, or housing advocacy groups. One potential result of a successful suit would be the suspension of permit issuance privileges.
2. The State might take an even stricter legislative approach to force development of housing opportunities.
3. State or Federal assistance, such as HUD CDBG funds, might be jeopardized.

The question of what constitutes a "good faith effort" is a matter of interpretation. However, it is worth noting that Mr. Gil Reynaga, HCD, in addressing the Housing Task Force, stated that the State focuses on the success with which a housing element addresses the housing needs of low and very low-income households, as it is assumed that the private market can satisfy the needs of other income groups.\*

#### THE PRIVATE SECTOR

The conclusion of much analysis and research on the part of the Task Force is that the private sector cannot, on its own, meet the housing needs of the low-income. Nor is it capable of meeting housing needs of a significant portion of the handicapped, elderly, or large families. This is not to suggest an unwillingness on the part of the private sector, but simply that economic factors preclude involvement in a non-viable market.

The private sector can, of course, be encouraged (through incentives), or directed (through mandates such as inclusionary zoning) to meet some of these needs. But the consensus of the Task Force is that incentives will not reach deep enough to have the desired substantial effect, and that mandates may have a dampening effect upon the industry which would be counter productive.

How then are we to meet our responsibilities as a community?

\* Minutes of the Housing Task Force, September 2, 1980.



## A FIRM COMMITMENT

First, the City must make a strong commitment to the principles of adequate housing for all economic segments of the community. The community should be defined to include current residents, future residents, and residents of the community at large, irrespective of political boundaries. With many of Visalia's current households at or below the low-income level, this activity warrants a full-time commitment.

It is logical and appropriate that the City should take the lead in this issue for several reasons. First, the private market place cannot, on its own, meet many housing needs. Second, the City has the best access to the many Federal and State programs which might provide the information, assistance, or funding necessary to effectively address these needs. Third, the housing crisis is a problem of the entire community. It would be unrealistic to expect one industry to solve a problem that has such community-wide ramifications. It is entirely reasonable to expect the City, as the representative body of the community, to lead the search for solutions to the housing problem and to be the focal point of efforts by all sectors.

To this end, the Council should direct the Community Development Department to assign staff on a full-time basis to develop and implement specific policies and programs which will ensure the development of adequate housing for low-income and other hard-to-house groups.\* Staff assigned to this project should be capable of developing programs which forge a close partnership between the public and private sector. The Council should make it clear that implementation, and the actual production of significant numbers of appropriate dwellings is to be the required result of such activities. The Council should assume responsibility for effective monitoring of activities.

Within the Community Development Department, it is recommended that the responsibility for development of low-income housing be assigned to the Redevelopment project. It is this staff which has the greatest experience in dealing with low-income housing, thus making it the logical focal point.

An alternative, and perhaps more flexible approach would be for the City to assist in the creation of a private nonprofit corporation which would work to bring public and private resources together. The City would be expected to provide the basic ongoing funding for this corporation.

While it is recommended that the City Council should assume responsibility for effective monitoring of low-income housing activities, this may not provide frequent or in-depth analysis, due to time constraints. It would be logical to charge the Citizens' Advisory Committee with some authority in this respect. Because the Committee is already familiar with low-income housing needs, and because of public access to the Committee, this would provide a good public forum on an-ongoing basis.

\* See "Financing Techniques," Housing Task Force Consensus, Paper F-1, Page 1, Item 1. However, what is proposed here encompasses and goes well beyond the scope of the Financing Subcommittee proposal.



It should be stressed that the Task Force feels strongly that the private sector should be allowed and encouraged to meet as much of the housing needs as possible. The City should function as the lead and catalyst in developing a public-private partnership which can address needs which cannot be effectively met by either sector independently.

This active approach by the City will require a firm commitment, one which will override other concerns. Notably, the City may be forced to set aside its "enterprise" approach in dealing with low-income and other specialized housing needs. In recent years the City has adopted a private sector profit-oriented approach to many of its operations. This is a fiscally sound policy. However, as stated above, the private sector is unable to meet these housing needs: it follows that a private sector (profit) approach by City government would be no more successful.

To reiterate: the basis for meeting the housing needs of the low-income and other groups with specialized needs must be a strong commitment by the Council and the development of an active and aggressive approach to develop solutions to these problems. The specific proposals which follow possess potential only to the extent that the City is willing to commit itself to the attainment of concrete results.

## SPECIFIC RECOMMENDATIONS

Specific policies or programs can be divided into two directions: those which are necessary to increase the supply of appropriate housing, and those which are necessary to prevent the continued decline of available, affordable housing either through deterioration or through rapidly increasing value and costs. Policies are needed which address both.

- 1 The Council should take a position strongly supporting the proposed Article 34 Referendum and should direct City staff to undertake activities to promote approval of the referendum.
- 2 The City should develop a close working relationship with local lending institutions to encourage their participation in financing low-income and special needs housing. With Visalia's certification as an SMSA will come increased monitoring of these lending institutions' efforts to comply with the terms of the Community Reinvestment Act (CRA).\* Many communities have developed mutually beneficial relationships with their lending community. A close working relationship would assure that individual banks' efforts to satisfy the CRA would be consistent with the City's efforts to provide housing. This would be another key provision of the public-private partnership.
- 3 The City Should utilize all Revenue Sharing Funds for the purpose of implementation of programs and policies which will encourage the development of housing to meet the needs of low and moderate income households.
- 4 The City should utilize HUD Community Development Block Grant (CDBG) funds for the sole purpose of meeting low-income and specialized housing needs.

One of the few readily available resources is HUD's Community Development Block Grant program.\*\* This year, Visalia makes the change from the Small Cities Program to the less restrictive Entitlement status. The Small Cities Program is intensely competitive, with a very strong emphasis on meeting low and moderate income housing needs. The Entitlement program, on the other hand, allows substantial local discretion in utilization of CDBG funds. A wide range of activities would be eligible under the Entitlement programs, including economic development and construction of community and public facilities. *Low-income and special housing needs should be the highest priority usage for these funds.*

\* See attached "Federal Financial Institutions Examination Council (FFIEC) Community Reinvestment Act Information Statement.

\*\* While Visalia failed in its application for CDBG Small Cities funds for Fiscal Year 1982, it is now certain that Visalia will be awarded Entitlement funds in Spring 1982.

There are many financing tools available which enable public funds to be utilized to leverage private sector funds into low-income housing programs. City staff should explore all means available to leverage\* private financing in conjunction with CDBG, Revenue Sharing and other available public funds.

6 The City should consider amending its CDBG-financed housing rehabilitation program to permit spot rehab on a house by house basis outside of the normal target area. While past Block Grants (under the Small Cities program) were restrictive in this respect, the flexibility of Entitlement funding makes this a more realistic possibility.

7 To provide adequate and affordable housing for the low to moderate income senior citizens of Visalia, the City should encourage and support the development of another project such as The Meadows and The Town Meadows.\*\* Ideally, this project would be constructed and operated by a nonprofit corporation such as Visalia Senior Housing.

Provisions may need to be made to allow flexibility in zoning that would permit Senior Housing to be located near centers of community activity. The Town Meadows location is a good example but other areas could be near the College of Sequoias, Sequoia Mall, etc.

With present building conditions, it may be that the only possibility of building affordable housing for seniors is by obtaining funding from the Federal Government. The Department of Housing and Urban Development has loan monies for site acquisition and building costs, but off-site improvements cannot be financed with HUD funds. *The City should actively support senior's housing by providing needed off-site improvements, as well as exploring other means to encourage and assist in the construction of senior citizens housing such as rezoning land to make it available for such a project and/or providing City-owned land for the project.*

8 The City might consider trading land it currently owns for land which would be appropriate for a senior housing project and then making that land available to a suitable project at no cost or at a reduced cost.

9 The City must take an active role in assuring an adequate supply of rental housing affordable to all segments of the population. It should be noted that the Housing Task Force decided to adopt a neutral stand on the issue of rent control due to the complexity of the issue. However, the issue shouldn't be entirely ignored. Because it is often proposed as a means of maintaining the stock of affordable housing, the issue of rent control should be studied carefully and objectively with particular attention to the experiences of other comparable communities.

10

\* See attachment for more information.

\*\* For an explanation of the Meadows projects, see Minutes of the Subcommittee on Housing Types, November 12, 1980, and the "Report of the Subcommittee on Housing Types," December 16, 1980.



- 11 In other communities, condominium conversions have created severe hardships upon tenants (particularly the elderly), and created a serious drain on the affordable housing market. *While there has not been a problem yet in Visalia, the situation should be studied carefully and objectively to determine if measures should be enacted to protect the current apartment stock from conversion to condominiums. The City should take the initiative to analyze the situation now rather than waiting for a problem to develop.*

- 12 It is an economic fact of life that increasing numbers of families will be required to live in apartments or other rental housing. The City should encourage the development of apartments suitable for families. *If a density bonus plan is established, the City should require that a reasonable percentage of the allowed units would contain more than two bedrooms.*

- 13 *The City should study the current availability of apartments which accept children. If a shortage exists, the City should consider policies which would help to reduce the shortage.*

- 14 As part of Visalia's responsibility to the broader community, the City should adopt an advocacy role in low-income housing issues, both individually and with the National League of Cities and other groups. It should not limit its support to policies which affect housing within the City of Visalia.

- 15 *The City should also advocate on behalf of rural housing programs such as Farmers Home Administration, which provides housing financing for low-income families in communities surrounding Visalia.*

- 16 The City should ensure that programs established to promote the rehabilitation of rental units or single family dwellings contain provisions to adequately protect against the displacement of low-income residents.

- 17 The City should explore possibilities for subsidizing the development of housing which will enable handicapped residents to enjoy a maximum of self-sufficiency (such as the Meadows).

- 18 Architects, builders and developers should work to eliminate some of the simple design characteristics which make much contemporary housing inaccessible to the handicapped. There is a significant population\* of mobility-impaired persons in Visalia. The supply of housing appropriate for these persons could be increased significantly by incorporating some simple "common sense" design changes. Examples would be ramping of the front entry door, elimination of step down living rooms, and slightly wider bathroom doors. It would be hoped the industry would voluntarily incorporate appropriate, low cost modifications in some of their new homes.

\* Estimated 1,904 in 1978, according to Pat Volk, Chair, City Handicapped Committee.



- 19 The City should take an active stand against proposed cuts in Federally funded low-income housing assistance. Diminishing Section 8 rent subsidies and cutbacks in HUD new construction funds for low-income public housing could have a serious impact upon Visalia's attempts to meet low-income and senior housing.
- 20 The City should explore imaginative ways to provide housing, including sweat equity and cooperatives. Emphasis should be placed upon developing joint ventures, in which City, industry and citizen energies and resources can be joined effectively.
- 21 Block 11, in the North Visalia Redevelopment Area, should be developed as a model of affordable housing, with a good economic mix. Preconceptions and past policies regarding densities should be set aside in order to develop the most appropriate plan for this economic era.
- 22 It should be determined which of the Financing Techniques recommended by the Task Force have the greatest potential for development of low-income and special needs housing.\* These proposals should then be implemented as a priority.
- 23 As part of the City staff's active role, all possible sources of appropriate funding should be explored. Among sources which should be explored are California HCD programs such as the Deferred Payment Rehab Loan Program, SB 910, CHFA, etc. (See attachment for more information)
- 24 The proposed Shared Equity Mortgage program should be established with guidelines which emphasize the maintenance of the existing Below Market Rate (BMR) housing stock. A portion of the funds should be reserved for substantial contributions, in order to keep some housing at significantly BMR levels. In other words, there may be some pressure to spread the available funds by making many small contributions rather than fewer large contributions. While the first alternative would stimulate more home sales, the latter approach would have a more significant impact upon the BMR stock.
- 25 *The City should consider making Shared Equity Mortgages available to developers of multi family rental properties as a means of providing below-market rents.*
- 26 *The guidelines for the Shared Equity Mortgage program should contain provisions to counter economic pressures which would tend to encourage the City to participate in purchases only in those neighborhoods with the greatest potential for appreciation. This assistance must be available to all neighborhoods.*

\* "Financing Techniques," Consensus Paper F-1, Housing Task Force.

MEETING LOW-INCOME HOUSING NEEDS  
ADDITIONAL INFORMATION

## Housing Question In Visalia Should Be Studied Closely

The City of Visalia recognizes the supply of low and moderate income housing is being outstripped by demand and spiraling interest rates have helped make the situation acute.

In seeking a solution to the problems, the city has received input from the Visalia Citizens Advisory Committee, which came up with some solid recommendations for the proposed housing element of the city's general plan.

Overall, the committee gives the city-prepared plan a favorable nod.

But the group also recommends that more teeth be put into the plan so the housing bite on the low and moderate income families is less.

The group recommends more specific goals for the provision of low-income housing. In other words, the city should determine just how many homes are needed for low-income residents. And it should be defined specifically what low-income really is. What is considered to be the maximum rent of a home for a low-income family?

The committee also suggested the city make an aggressive effort to find all possible sources of state and federal funding to help subsidize home for low-income residents.

The deadline for the city to submit its proposed housing element to the state is the end of May. However, the

city could seek a deadline extension if more time is necessary to prepare a workable plan.

Besides time, money is a factor. Staffing in the city planning department is also a consideration, as the planning department pointed out.

If it takes more money, time and staff, to prepare and carry out a specific plan, then the city should make the project a top priority for funding and staff.

The provision of adequate housing to Visalians of all income levels must be a top priority. It should be even higher than such significant projects as the current \$48,000 study to enhance the future of the downtown area.

Until recently housing has not been a major concern.

The sands of time are shifting. With interest rates soaring almost daily to new heights, money has become tight, building in Visalia has slowed and low and moderate income housing is being priced beyond the means of those who need it.

For many, the city's housing element is the prime hope of improving their chances for a home.

A decision on the plan will be discussed at the April 14 meeting of the Visalia Planning Commission

Housing efforts must be addressed in every detail. The city staff and council must step up their efforts to do just that.

THE VISALIA

TIMES-DELTA

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL  
COMMUNITY REINVESTMENT ACT INFORMATION STATEMENT



FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

COMMUNITY REINVESTMENT ACT INFORMATION STATEMENT

**AGENCY:** Federal Financial Institutions Examination Council

**ACTION:** Public information statement on the Community Reinvestment Act (CRA)

**SUMMARY:** In response to continuing interest on the part of individuals and organizations in the Community Reinvestment Act of 1977 and federal agency regulations implementing the Act, the Examination Council is issuing this public information statement. The statement briefly describes the requirements imposed by the Act and indicates the approach taken by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board and the Office of the Comptroller of the Currency in implementing this statute. Within the next 90 days, the Council also plans to make available to the public, on behalf of these four Federal regulatory agencies, a "Citizens Guide" to CRA comment procedures which will provide more detailed information on individual agency policies and procedures.

**DATE:** September 12, 1980

**FOR FURTHER INFORMATION CONTACT:** Mr. Robert J. Lawrence, Federal Financial Institutions Examination Council, 490 L'Enfant Plaza, SW, Eighth Floor, Washington, DC 20219 (202)447-0939.

COMMUNITY REINVESTMENT ACT INFORMATION STATEMENT:

The Federal Financial Institutions Examination Council is issuing this statement for persons and organizations interested in the Community Reinvestment Act of 1977 (CRA). The Council is composed of the five financial institution regulatory agencies: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the National Credit Union Administration, and the Office of the Comptroller of the Currency. Financial institutions regulated by all of the agencies, except the National Credit Union Administration<sup>1</sup>, are subject to CRA.

CRA was enacted out of concern for unfair treatment of prospective borrowers and unwarranted differences in lending patterns between different neighborhoods in communities served by lenders. It emphasizes the institutions' affirmative obligations to help meet the credit needs of their entire communities. In addition, it requires the agencies to:

- o encourage regulated lenders to help meet the credit needs of the local communities in which they are chartered, consistent with safe and sound operation;
- o assess the lender's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods; and
- o consider those records in evaluating applications to expand the activities of the lender or, in certain cases, those of its parent holding company.

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<sup>1</sup> The National Credit Union Administration does, however, expect all credit unions under its supervision to be responsive to the credit needs of all of their members as evidenced by its "anti-redlining" regulations and enforcement of the Federal equal credit opportunity and consumer credit protection laws.

This last requirement applies to each application to one of the agencies for:

- o a charter for a national bank or federal savings and loan association;
- o deposit insurance;
- o the establishment of a domestic branch or other facility with the ability to accept deposits;
- o the relocation of the home office or a branch office;
- o the merger or consolidation with, or acquisition of the assets, or assumption of liabilities of a regulated institution; or
- o a holding company to acquire ownership, or control of shares or assets of, a bank or savings and loan, or formation of such a holding company.

CRA emphasizes that financial institutions have a continuing and affirmative obligation to help meet the credit needs of their local communities, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of those institutions. The CRA regulations specifically require each institution to:

- o define the local community served by the institution without excluding any low- and moderate-income neighborhoods in those areas;
- o prepare a CRA statement, listing the types of loans the institution is willing to make in its local community;
- o establish a file on all comments received by the institution on its CRA statement or on its record of helping to meet the credit needs of its community and make this file available for the public to read at an office of the institution; and
- o place in a public lobby of each office of the institution the CRA public notice required by regulations of each agency.

Although CRA is directed toward meeting sound community credit needs, it was not intended that federal agencies would impose credit allocation. The CRA regulations direct individual financial institutions to make their own credit decisions after assessing the credit needs of their local communities. The agencies believe that financial institutions are in the best position to assess those needs and that meetings with community organizations, local government officials and other representative groups should be an early and integral part of the assessment process.

Several community organizations have suggested that particular financial institutions have poor lending records because they do not return to certain neighborhoods in loans what they accept from them in deposits. The agencies believe that there are many reasons why a neighborhood may generate more deposits than loan requests, or vice versa, and that this disparity is not on its face evidence of discrimination or improper credit practices. The regulatory agencies are concerned with the lender's performance in meeting the credit needs of its local communities and with its sensitivity and response to the needs of each neighborhood.

Financial institutions may sometimes overlook or fail to identify the credit needs of creditworthy borrowers in their communities. For example, the agencies have discovered some disparities in housing-related lending in low- and moderate-income neighborhoods, compared with that in higher income areas. Factors such as housing demand and safety and soundness considerations do not appear to account fully for the extent of these disparities. When such disparities occur, the agencies investigate to determine the specific nature and extent of the lender's efforts to ascertain credit needs and publicize its credit services. A lender's claim of a "lack of demand" based on a lack



of applications, will not be accepted as an adequate reason for an absence of or a substantially lower level of lending in a particular neighborhood without evidence that the lender had made substantial efforts in such neighborhood to ascertain credit needs and to publicize its credit services. The agencies also look for any policies or practices that discourage credit applications from, or discriminate against, portions of the lender's community.

The agencies expect each financial institution to offer the types of credit listed on its CRA statement throughout its community. In assessing an institution's record, the agencies view favorably the record of a lender that has defined its community reasonably and that offers credit to help meet the needs of its entire community. The agencies also give favorable weight to an institution's concerted efforts to tailor and adapt its credit programs and related services to meet the needs of low- and moderate-income areas in its community.

In acting upon applications covered by CRA, the agencies consider an institution's CRA record of performance along with other relevant factors. For existing institutions, commitments for future action are not viewed as part of the CRA record of performance, but may be given weight as an indicator of potential for improvement in a lender's performance.

The agencies expect all parties to applications to observe the agencies' procedures. Staffs of the agencies are available to advise parties on procedural requirements for commenting on applications. It is hoped that community representatives will bring their complaints to the attention of the lenders involved before protesting applications. However, when applications are protested on CRA grounds, the agencies encourage, but do not require,

further communication between applicants and protestants. The agencies expect the protestants to provide evidence to support their complaints to the extent possible. For example, information on deed transfers may indicate mortgage loan demand and be instructive in demonstrating a particular lender's role in helping, or not helping, to meet that demand. The agencies' staffs will thoroughly investigate the merits of the application and the protest to provide the necessary record for an informed decision to be reached on the application.

To date, several protests have been withdrawn after the specific issues raised had been resolved by negotiation between the parties. However, it should be noted that:

- o Withdrawal of protests does not alter the agencies' obligations to assess carefully the applicants' CRA records.
- o Although the agencies hope all parties will meet to explain and clarify their positions, any decisions to negotiate are entirely within the parties' discretion.
- o The agencies will not approve or enforce agreements between lenders and community groups. However, the agencies will consider evidence presented to them, by the parties to the agreement, that the agreement has been adhered to by the institution when the agencies assess the record of the institution in meeting its local credit needs.

Many lenders have adopted special purpose credit or pilot programs to test new credit offerings. The agencies wish to encourage, consistent with safety and soundness, those efforts to "target" community-related investments to

geographic areas or individuals that are economically disadvantaged.

Investments for special housing, community development, small business and small farm programs are also encouraged.

In designing procedures to accomplish CRA's goals, the four agencies of the Federal Financial Institutions Examination Council having CRA responsibilities appreciate the useful comments they have received from lending institutions, local governments, and community groups. They welcome additional suggestions. The agencies believe that communication between financial institutions and their communities can help ensure that sound credit needs are met within the lending capacity of depository institutions.

DATED: September 12, 1980

(signed) Robert J. Lawrence

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Robert J. Lawrence  
Executive Secretary, FFIEC

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Additional information on "Leveraging" mentioned in connection with CDBG funds on page 16:

Many communities are successfully utilizing CDBG housing rehabilitation funds to enable private lending institutions to make rehab loans at interest rates which are affordable to borrowers. Examples of leveraging arrangements are Prepaid Interest Subsidies, Principle Reduction, Loss Reserve funds, etc.

It is entirely feasible to double the funds available for certain borrower groups through leveraging arrangements.

See the attached sheet for more information.

Additional information on exploration of funding sources, page 20:

The State's Deferred Payment Rehab Loan Program provides funds to local entities who have on-going housing rehabilitation programs. These funds enable the community to make deferred payment loans available to low and moderate income property owners at an annual percentage rate of three percent. Visalia did not apply for these funds.

SB910 authorized HCD to provide funds for staffing to provide free rehabilitation design assistance to home owners. Visalia did not apply for these funds.

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## PREPAID INTEREST SUBSIDY

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General Description: Prepaid interest subsidy is used to reduce the interest rate on a conventional loan. The owner receives a loan at a low interest rate (e.g., 3 percent) from a private lender to cover the full cost of the rehabilitation work. To compensate the lender for this low interest rate, the program pays the lender an interest subsidy. This technique has five major features:

1. Timing: The interest subsidy is paid in full to the lender at the time the loan is closed. There are no monthly transfers of funds or later payments by the program.
2. Amount: It's easiest to think of the actual 3 percent, \$5,000 loan for the full cost of the work as consisting of two parts:
  - o The interest subsidy paid to the lender by the program.
  - o The "lender's net investment" (how much cash the lender actually has to put into the loan, i.e., the \$5,000 loan minus the subsidy).
3. Return to Program: If the owner prepays his loan, the lender returns the unused amount of the subsidy to the program to subsidize new loans. If the owner defaults, the program can allow the lender to keep the unused amount of the subsidy; this helps offset the lender's losses.
4. Guarantee: The program does not guarantee the lender's loan and has no liability beyond its prepaid interest subsidy.
5. Fees: Because the lender is making its own loan, the program does not have to pay it any loan origination or collection fees.

The lender's net investment is the amount of a market rate loan that would be supported by the owner's actual monthly payment.

This technique is similar to a partial grant in that it reduces the lender's net investment. Instead of giving the program funds to the owner directly as a partial grant, the program instead gives it indirectly, through the lender. The amount of an interest subsidy is therefore exactly the same as a partial grant. It is also referred to as an interest subsidy which is "discounted" on a "present value basis."

Other Names: Discount, Interest Subsidy, Prepaid Subsidy.

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## INTEREST SUBSIDY WITH LOSS RESERVE FUND

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General Description: The private lender makes 3 percent home improvement loans to owners, including those who are marginal credit risks. In exchange, the program:

1. Provides a prepaid interest subsidy (Technique 2.4) to the lender when the loan is closed. For example, the interest subsidy provides the lender the difference between an 11 percent interest rate and the 3 percent rate charged to the owner. This 11 percent rate is set slightly below the lender's normal market rate of 12 percent to reflect that the program's loss reserve fund actually reduces the lender's risk.
2. Establishes a loss reserve fund to cover lender losses from defaulted loans. The program agrees to use the loss reserve fund to pay off any subsidized loans that are more than 90 days delinquent for their full outstanding interest and principal. This loss reserve fund is maintained at 10 percent of the outstanding balance of all subsidized loans. The fund is invested in an interest-bearing savings account, and any excess amounts (above the required 10 percent maintenance level) are returned to the program. The program has no further liability if lender losses exceed the cash available in the loss reserve fund. In essence, the program is guaranteeing some of the lender's loans. Although the loss reserve is established at 10 percent, the estimated overall default rate is estimated at 5 percent.

### Typical Case Calculation:

Cost of rehabilitation work		\$5,000
Bank loan		5,000
Owner's monthly payment (3 percent, 10 years)	\$48.28	
Lender's net investment at 11 percent supported by monthly payments		<u>3,505</u>
Prepaid interest subsidy		\$1,495

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## PARTIAL GRANT PLUS CONVENTIONAL LOAN

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General Description: The cost of the rehabilitation work is financed partially by a direct grant of public funds (which the owner never has to repay) combined with a conventional private home improvement loan at the market interest rate.

By paying part of the cost of the work, the program reduces the amount the owner has to borrow, and therefore reduces the monthly payment. The owner's monthly payment to the private lender is the same that he or she would have had to pay for a 3 percent loan for the total cost of rehabilitation work. The "effective" interest rate on the total work is thus 3 percent.

Each party to this transaction benefits.

- o The owner makes the same monthly payment he or she would on a 3 percent direct installment loan from the program.
- o The private lender earns the normal interest rate on a smaller loan.
- o The program only has to pay part of the cost of the rehabilitation work, and so can assist more owners.

Other Names: Principal Reduction Grant, Incentive Grant, Principal Subsidy, Percentage Grant, Rebate.

### Typical Case Calculation:

Cost of rehabilitation work	\$5,000
Monthly payment requirement of owner (same as on 3 percent, 10-year loan)	\$48.28
Conventional loan at 12 percent, 10 years supported by \$48.28 monthly payment	<u>3,365</u>
Partial grant (to cover difference)	1,635





HOUSING TASK FORCE  
GOVERNMENT REGULATIONS SUBCOMMITTEE  
CONSENSUS PAPER # GR - 8

CITY POLICIES REGARDING REHABILITATION OF SUBSTANDARD UNITS

The task force feels that a housing policy must include a coherent policy for the preservation and rehabilitation of existing housing. Such a policy is required, not only to prevent erosion of the housing supply, but especially because housing needs of lower income persons are more likely to be met by used housing than by new housing.

In reviewing the problem of the deterioration of existing housing, it has become clear that the problem is complex - that there is no single "type" of person who is guilty of allowing units to become substandard. For example, at one extreme there are units that are substandard only because the owner cannot afford repairs, or cannot afford all required repairs immediately. At the other extreme there are rental units that are allowed to deteriorate by landlords who can afford necessary repairs. Clearly, a rehabilitation policy must distinguish between these different types of situations.

In the opinion of the task force, present city policies are in some respects ineffective, and in other respects actually discourage rehabilitation. As an example of the former, the Building Department's present policy is to redtag only rental units that are not occupied.\* Thus, while the Building Inspector will make inspections of a rental upon a tenant's request, no effective enforcement action will be taken until the tenant actually vacates. Thus, there is little incentive for a tenant to report substandard dwellings. Furthermore, it is the understanding of the task force that the Building Department has no other sanctions

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\* The reason for this policy according to Building officials we spoke to, is that the city might be liable for relocation costs if tenants were required to relocate.

which it presently imposes to require maintenance of rental units.\* At the other extreme, however, the task force believes that present building permit requirements may actually discourage homeowners from beginning rehabilitation projects for fear that they will be required to do other repairs in order to bring their entire house "up to code". Such repairs may be unnecessary (i.e. bathroom fan) or beyond their financial reach, and the end result is that the tenant either postpones making desired, necessary repairs, or has such repairs done without a building permit, quite possibly in a substandard manner.

It is, therefore, the recommendation of the task force that the City adopt separate rehabilitation policies for owner-occupied and rental housing as follows:

Owner Occupied

Here, the City should do everything in its power to encourage voluntary rehabilitation efforts. In processing building permits for home rehabilitation and repair, the Building Inspector should be instructed to require only that the rehabilitation project itself be "up to code". The Building Inspector should be encouraged to notify the homeowner of other deficiencies in the house, but immediate repair of these deficiencies should not be required (with a possible exception where the deficiency would constitute a serious and immediate threat to health and safety).

The task force believes that some property owners put off necessary repairs or do repairs without a permit out of ignorance or unjustified fears of the

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\* The Uniform Code for Abatement of Dangerous Buildings provides for possible criminal enforcement and fines for the maintenance of dangerous buildings but not necessarily for buildings which are "substandard". The City Building Department does presently utilize Revenue and Taxation Code Section \_\_\_\_\_ which allows the Building Department to deprive the owner of a substandard unit of state tax write offs for interest and depreciation. The task force commends the Building Department for its efforts in this area, but is of the opinion that other additional measures are required in order to assure proper maintenance of rentals.

Building Department. The task force therefore recommends that the City begin a campaign to educate the public about the benefits of securing a proper building permit and the services provided by the Building Department for rehabilitation projects. Other measures which will encourage rehabilitation and maintenance include preparation of a rehabilitation manual (this has been done by the cities of Oakland and Hayward), waiver of permit fees, and designation of one night per week as a "Rehab night" on which homeowners needing information regarding rehabilitation could meet with Building officials.

The City should further consider the establishment of a program under which homeowners could request a building inspection with the assurance that they will not be cited if deficiencies are discovered. Such a program would encourage homeowners who do not yet have obvious problems to do periodic inspections. Hopefully, the homeowner would thereby discover potential defects before they grow into obvious (and expensive) problems.

#### Rentals

Here, the City should act more aggressively to require maintenance of housing. This different approach is justified since the task force feels that maintenance is a necessary and legitimate cost of the "business" of landlording. Thus, for rental units the housing task force recommends strict enforcement of the following standards as setting forth minimum requirements for all rental units:

- a. Effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors;
- b. Plumbing or gas facilities which conform to applicable law in effect at the time of installation maintained in good working order;
- c. A water supply approved under applicable law which is under the control of the tenant, capable of producing hot and cold running water, or a system



which is under the control of the landlord which produces hot and cold running water, furnished to appropriate fixtures and connected to a sewage disposal system approved under applicable law.

d. Heating facilities which conform with applicable law at the time of installation, maintained in good working order;

e. Electrical lighting, with wiring and electrical equipment which conform with applicable law at the time of installation, maintained in good working order.

f. An adequate number of appropriate receptacles for garbage and rubbish in clean condition and good repair;

g. Floor, stairways and railings maintained in good repair.

h. If some form of air conditioning or cooler is provided, it shall be maintained in safe and operable condition.

Residential landlords are already required to meet these standards under Civil Code Section 1941.1 (with the possible exception of item "h" above). Many tenants are either unaware of, or find it impossible to enforce, their rights under this section without intervention by the Building Department.

In order to avoid imposing a hardship on the tenant, and to avoid further depletion of the housing stock, the task force recommends that the Building Department condemn or "red tag" units only as a last resort. In a case where it appears that the owner of a rental unit which fails to meet the minimum standards outlined above cannot afford necessary repairs, the City should consider assisting in the financing of such repairs, possibly with Community Development Block Grant Funds and possibly even by lending City funds set aside for this purpose. In order to prevent such landlords from enjoying a free "windfall," any funds advanced by the City under either program should become a lien against the rehabilitated property. In a case, however, where it appears that the landlord is financially capable of performing necessary repairs, the City, after due warning,

should levy a fine against the property which would escalate as long as the building continues in a state of disrepair. Such fines could possibly be used to finance the alternate approach described above.



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